



SB 899

Measure Title:	RELATING TO THE KIDS' SAVINGS PROJECT.
Report Title:	Kids' Savings Project; Appropriation (\$)
Description:	Appropriates funds to continue the kids' savings project.
Companion:	
Package:	None
Current Referral:	HSH, WAM
Introducer(s):	CHUN OAKLAND, Inouye, Kidani



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Date: February 16, 2015

To: Senator Suzanne Chun Oakland, Chair, Senator Josh Green, Vice-Chair, and members of the Committee on Human Services and Housing

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)

Re: Strong Support for SB 899

Aloha Chair Chun Oakland, Vice-Chair Green, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports SB 899, which appropriates funds to continue the kids' savings project.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map. HACBED also worked with Hawai'i County and Dr. Michael Cheang out of the University of Hawai'i Mānoa to pilot the Hawai'i Island Kids Savings Initiative. As such, HACBED strongly supports the proposed bill that would continue to support the statewide kids' savings project.

Recent research has highlighted the strong implications of teaching children and their parents the fundamentals of early savings and financial education. These findings of potential benefits include:

- the direct correlation between early savings and college enrollment/completionⁱ.
- the consistent demonstration across demographic groups of the correlation between early savings and college enrollment/outcomes.ⁱⁱ
- the positive impact on the attitude, expectations, and reflections of college students and their parents alike with minimal savings effortsⁱⁱⁱ.
- the positive attitudes towards financial institutions and the benefits of savings created by early savings.^{iv}
- evidence that children are significantly more likely to maintain a relationship with financial institutions and have greater financial assets later in life when they own a savings account earlier in life.^v

The multiple benefits of CSAs through behavior and attitudinal changes, education outcomes, and savings accumulation support an aggressive approach to creating savings opportunities at a young age

The passage of SB 899 would continue support for the statewide kids' savings project to build strong financial habits in our youth from a young age that will set them up to be able to truly build their assets.

Mahalo for this opportunity to testify,

Brent N. Kakesako
Executive Director
Hawai'i Alliance for Community-Based Economic Development

ⁱ Jappelli, Tullio, and Mario Padula. "Investment in financial literacy and saving decisions." (2011).

ⁱⁱ Elliot III, William. "Why Policy Makers Should Care about Children's Savings." New America Foundation, Jan. 2012, pgs. 5-8.

ⁱⁱⁱ Gurria, A. *Education At a Glance 2010*. Paris. (2010).

^{iv} *Ibid.*, pgs. 4-5.

^v Friedline, Terri. "The Case for Extending Financial Inclusion to Children." New America Foundation, May 2012, pg. 1.

SENATE COMMITTEE ON HUMAN SERVICES AND HOUSING
Tuesday, February 17, 2015 — 1:20 p.m. — Room 016

I Strongly Support SB 899, Relating to the Kids' Saving Project

Dear Chair Taniguchi, Vice Chair Inouye, Chair Oakland, Vice Chair Green, and Members of the Committee:

My name is Brandon Lee and **I strongly support SB 899**, which funds a school-based program that partners with local financial institutions to establish savings accounts for students.

Money, and our ability to earn it and manage it, plays an overwhelming part of our daily lives. The key to navigating each of our individual financial future is through financial literacy. Yet, every journey begins with a first step and for most people, that first step is opening a savings account and depositing their first initial funds. Over time, a young person will be able to watch their money grow and have a real-world example of the benefits of savings and compounding.

I believe we hold more value to the things in life that we have truly worked hard for and earned, because it represents the item itself but also all of the sacrifices required. A person who understands this lesson and executes it in their daily lives will associate their sense of pride from accomplishing their goal with the financial discipline it took. When that child gets older, they will eventually need to purchase larger expenditures such as a home, college education, and build a retirement account. However, once a child successfully learns to appreciate saving, they are much more likely to be able to work toward their hopes and dreams with a realistic gameplan. If funded, this program will be some of the most impactful funds the State has spent.

As a public policy tool, a well informed and financially smart public will make it easier to solve long-term poverty issues, reduce housing and human service issues, and develop more successful local entrepreneurs.

I urge this committee to pass this bill to help every future Hawai'i resident.

Respectfully,

Brandon Lee
Email: bran1322@yahoo.com