



April 17, 2017

The Honorable Adrin Nazarian
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0046
Fax: (916) 319-2146

RE: AB 34 (Nazarian): Children's Savings Account Program
AAP-CA Position: SUPPORT

Dear Assemblymember Nazarian:

I am writing on behalf of the American Academy of Pediatrics, California (AAP-CA), representing over 5,000 California pediatricians, to let you know that we strongly support your proposed legislation AB 34 (Nazarian). This bill would establish a universal, at-birth, opt-out, statewide 529 children's savings account program.

Poverty is immensely detrimental to a child's emotional and physical health and well-being, and California has a higher supplemental poverty measure than the country as a whole: recent estimates reveal that 20.6% of California families live in poverty. However, even a small amount of savings can have a substantial effect on a child's socio-emotional development and improve the family's outlook for the future. Grinstein-Weiss et al. have found that asset-building programs, such as state-supported 529 children's savings account (CSA) programs, improve family stability and thus have long-term effects on a child's wellbeing by the age of four. In another study, 71% of children living in poverty who had high family savings and low income were able to rise out of the lowest quartile of income, compared with only 50% of children with low family savings and low income. Finally, families with low to moderate income who were able to save \$500 were three times more likely to enroll in college, and four times as likely to graduate from higher education, breaking the cycle of poverty.

AB 34 (Nazarian) would enable families living in poverty to participate in means of financial investment which were previously out of reach to them, by establishing a universal, at-birth, opt-out, statewide 529 CSA program. This would improve children's chances for future financial independence and self-sufficiency.

Pediatricians across the state support AB 34 (Nazarian). We thank you for your leadership on behalf of the health and well-being of children, youth, and families in California.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Patel', written in a cursive style.

Mona Patel, M.D., Fellow of the American Academy of Pediatrics
State Government Affairs Committee, American Academy of Pediatrics, California

CC: Kris Calvin, CEO; AAP-CA Leadership; Lydia Bourne