

# BabySteps Savings Plan

Helping families establish a U.Fund College Investing Plan to access a \$50 seed deposit from the Massachusetts State Treasurer's Office



*mefa*<sup>®</sup>



# About The Office of Economic Empowerment

The Office of Economic Empowerment (OEE) is a department within the Office of the Treasurer and Receiver General of Massachusetts tasked with supporting, advocating, and facilitating policies that empower all Massachusetts residents.

Our programs serve women, families, high school students, veterans, and seniors. Our priorities include closing the race and gender wage gap, racial equity, college affordability, and promoting STEM education.

<https://www.mass.gov/orgs/office-of-economic-empowerment>

## The BabySteps Savings Plan

BabySteps provides families with a free \$50 seed deposit to open a 529 U.Fund savings account for their child's postsecondary education including vocational training.

Families are also encouraged to utilize free financial education through the Financial Education Center on our website [BabyStepsSavingsPlan.org](https://BabyStepsSavingsPlan.org).

## Who is eligible for BabySteps?



- Any child who is –
  1. A Massachusetts resident
  2. was born or adopted on or after January 1, 2020
- The \$50 seed deposit can only be received within one year of the child's birth or adoption.
- The \$50 seed will be deposited into a U.Fund account with that child as the Beneficiary.

# The BabySteps Savings Plan



- **The process:**
  - ➡ Check the box to receive information on BabySteps
  - ➡ Receive information via email
  - ➡ [Open a U.Fund 529 College Investing Plan account](#)
  - ➡ Make contributions and receive information about growing savings

# Checking the Box

Families can indicate interest in BabySteps at the hospital when they complete the parent worksheet.

There is a question on page 2 that allows families to consent to have their contact information shared with the MEFA and OEE help get families enrolled in the BabySteps program.

Form R-3P 12.06.2019 – PART A

	<p>Commonwealth of Massachusetts Department of Public Health Registry of Vital Records and Statistics</p>	
<b>Parent Worksheet for Certificate of Live Birth – Newborn</b>		
<p>The information you provide below will be used to create your child's birth certificate. The birth certificate is a permanent document that will be used throughout your child's life to prove his or her age, citizenship, identity and parentage.</p> <p>It is very important that you provide complete and accurate information for all of the questions. Items marked with an asterisk (*) will be printed on your child's legal birth certificate, but every item is needed for legal and/or public health purposes. Some of your answers are used by health and medical researchers to study and improve the health of parents and newborn infants. This information is collected in accordance with Massachusetts General Law (c.111, §24B).</p> <p><b>Please print your answers neatly and accurately.</b> The birth certificate is a permanent legal document that is a record of events and information at the time of your child's birth and may not be changed later except under very limited conditions.</p>		<p><i>Administrative Use Only</i></p> <p>Delivering Parent MRN:</p> <p>Child MRN:</p> <p>Log #:</p>
<b>CHILD Information</b>		
<p><b>Child's Full Name:</b> Print your child's name exactly as you want it to appear on his or her birth certificate. Separate the first, middle, and last names in the boxes below:</p>		
<p>*First Name:</p> <p>*Middle Name: <input type="checkbox"/> Check if your child's certificate will <i>not</i> have a middle name</p> <p>*Surname: (Last Name) <span style="float: right;">*Generational, if any: (e.g., JR, III)</span></p>		
<p>*Date of Birth: (e.g., Mar 15 2011)</p>	<p>*Sex:</p> <p><input type="checkbox"/> Female</p>	<p>*Plurality:</p> <p><input type="checkbox"/> 1-Single    <input type="checkbox"/> 2-Twin    <input type="checkbox"/> 3-Triplet    <input type="checkbox"/> 4-Quadruplet</p>

**BabySteps Savings Plan: Kickstart Your Child's College Savings Account Today**

Would you like to receive \$50 for your baby's future education? As part of the BabySteps Savings Plan, any child who is a Massachusetts resident and was born or adopted on or after January 1, 2020 is eligible to receive a free \$50 seed deposit into a U.Fund account within one year of birth or adoption to help pay for future college, trade, or technical school costs. The BabySteps Savings Plan is a seeded college savings account program that encourages saving for college in the U.Fund College Investing Plan, the Massachusetts 529 plan. The U.Fund is offered by the Massachusetts Educational Financing Authority (MEFA) and managed by Fidelity Investments. The \$50 seed deposit is provided by the Massachusetts State Treasurer and can be received within one year of the child's birth or adoption. If you are interested in receiving information about the BabySteps Savings Plan and how to receive your \$50 deposit, check the Yes box below.

By checking 'yes' below, you are authorizing the Massachusetts Department of Public Health to provide the Massachusetts Treasurer's Office and MEFA with your personal contact information (phone number, address, and e-mail address) for the purpose of providing you with additional information to help you open your child's college savings account. The state will deposit \$50 once the account is successfully opened. Please visit [babystepsavingsplan.org](http://babystepsavingsplan.org) for more information.

 Yes, please send me information and enrollment materials to receive the free \$50 BabySteps Savings Plan deposit No, I do not consent**Contact Information**Preferred email address:  

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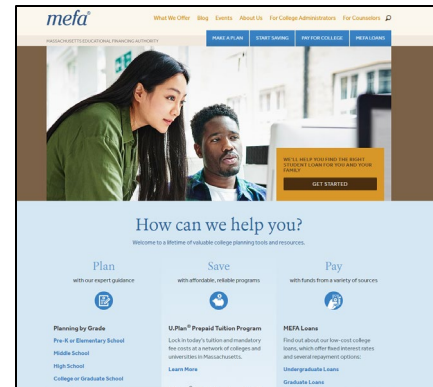
# About MEFA

Not-for-profit state authority created in 1982 helping families plan, save, and pay for college

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Keeping you on track with FREE college planning:

- Visit [mefa.org](http://mefa.org): Information, tools, & resources
- Call us: (800) 449-MEFA (6332)
- Email us: [collegeplanning@mefa.org](mailto:collegeplanning@mefa.org)
- Follow us: Facebook, Twitter, & LinkedIn
- Get our emails: Sign up on [mefa.org](http://mefa.org)
- Attend a seminar: Details at [mefa.org/events](http://mefa.org/events)
- Attend a webinar: Register at [mefa.org/events](http://mefa.org/events)





# MEFA's Comprehensive Approach

## Early College Planning: Promoting early awareness about saving for college

- Messaging early and often about planning and saving early to minimize borrowing later
- Providing two tax-advantaged college savings programs: the U.Plan Prepaid Tuition Program and the U.Fund College Investing Plan

## Educational Outreach: Educating families across the Commonwealth

- Offering online interactive tools and webinars, a comprehensive email curriculum, and a full social network presence
- Providing first-rate customer service, with trained counselors available for one-on-one counseling
- Expanded content, including the MEFA Podcast and a video series, 90 Seconds with MEFA

## College Planning: Offering college admissions and financial aid guidance

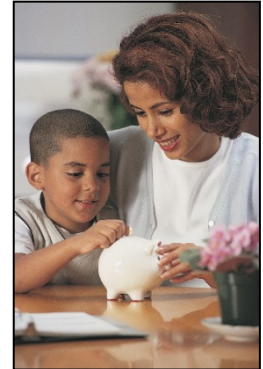
- Providing comprehensive tools and information to help families apply to college, complete financial aid applications, including the FAFSA®, and find scholarships

## MEFA Pathway: MEFA's free college and career planning tool

- Designed as an interactive, engaging tool for students in grades 6-12 planning for college and career, and their families and counselors helping them along the way
- Features tools, quizzes, and activities designed to help students research and chart a highly personalized plan for the future

## College Financing Strategies: Providing affordable options to students and families

- Offering the MEFA Loan, an integral component of the national financial aid system
- Recommending strategies to maximize federal student loans and tuition payment plans before alternative borrowing
- Providing MEFA REFI, an education refinancing loan designed to lower a borrower's interest rate and monthly payment



# U.Fund 529 College Investing Plan

## How does the U.Fund work?

- Save for qualified higher education or in a tax advantaged way
  - Tuition, fees, room, board, books, supplies, and equipment\*
- Savings can be used at any accredited college, university, or vocational training nationwide
- Combined Account Maximum: \$400,000
- No Annual Account Maintenance Fee or Minimum Investment
- State Tax Deduction
- Multiple investment options
  - Active management, indexed portfolio, individual allocation portfolios, FDIC insured

Enroll online at [fidelity.com/ufund](https://www.fidelity.com/ufund) or by calling (800) 544-2776

# What is a CSA Program?

- BabySteps is a CSA program.
- CSA stands for *children's savings account*, a type of savings account tailored for long term investments towards higher education or other professional/vocational training
- *CSA programs* provide families with a seed and/or other monetary incentives to open a CSA account and start saving.
- Programs vary in their design, and many offer additional components such as behavioral incentives, financial education or coaching, mentorship etc.
- Some states sponsor a CSA program and numerous non-profit agencies have started their own within states and across state lines.
- Another major CSA program in Massachusetts is the Boston Saves program offered to kindergartners in the Boston public school system.

## Why a CSA?

- Children's savings accounts provide families with an opportunity to begin saving for their children's future goals.
- Saving for college can help families with the cost of college and reduce the needs for loans.
- A 529 account has many tax benefits, is excluded from asset tests, and has a minimal impact on financial aid eligibility.

# The Benefits of CSA Programs

CSA programs have been studied extensively and shown to have many benefits even with small sum savings:

- Boost savings for postsecondary education – likelihood of opening a savings account and contributing.
- Increase postsecondary education enrollment & completion:
  - **Low-income children with \$1-499 in college savings are three times more likely to enroll in and four times more likely to complete college** (secondary data analysis)
  - Among children who expect to go to college, those with a savings account are six times more likely to attend than those with no account (secondary data analysis)

# The Benefits of CSA Programs – Health and Wellbeing

## Interim effects of CSA programs

### Mothers' Psychological Wellbeing

- Decreased symptoms of depression with effect greater for mothers with lower income and education (confidence and optimism related to asset and/or improved social-emotional development of children).
- Increased “sense of security” and “better outlook” (interviews with mothers).

### Child Development and Social-emotional Functioning

- Increased children's social-emotional functioning, with similar effect size to Early Head Start.
- Having a CSA lessens negative effects of material hardship on child development.

# The BabySteps Savings Plan – The Importance of Community Partnerships

- Difficulty reaching families: gap between high check the box rate and enrollment rate
  - BabySteps is a low touch program with small staff and minimal direct interaction with families
  - Marketing of the program includes emails, social media campaigns, webinars, and press, and MEFA general outreach
  - In person promotion was curtailed by the pandemic
- Trusted sources are key
- Some communities need extra support to enroll
- Opportunity to add components to the program – increases potential for positive outcomes

# Partnering with Community Advocates to Promote Financial Empowerment

- *Individual-Level*
  - Forming relationships and identifying the relevant population: expecting mothers or families with newborns
- *Practice-Level*
  - Having conversations about financial empowerment and its intersection with health
  - BabySteps recommendation to parents
- *Community-Level*
  - Reporting any trends, reoccurring barriers, and/or additional materials that could benefit the program



# Partnering with MassHealth

- Trusted sources
- High-touch exposure and contact with expecting families and families with newborns
- Alignment of goals – improved health and wellbeing of children and families. BabySteps catering to Social Determinants of Health

# Resources for Partners

- Enrollment training from OEE and MEFA
- Continual support from OEE and MEFA – Establishing lines of communication
- BabySteps material to download or order free of charge in multiple languages: [HRIA Clearinghouse](#)
- BabySteps marketing toolkit
- Everfi learning center (possible train the trainer workshops with Everfi)

# Take the First Step

Invest in your child's future, today!



A program of  
**Deborah B. Goldberg**  
Massachusetts State Treasurer  
and Receiver General



Receive a **\$50 deposit** when you enroll!

We want to help set your child on the right path. The BabySteps Savings Plan allows you to invest in your child's post-high school education and training.

## Open to Massachusetts Residents

Any state resident with a baby born on or after January 1, 2020 can sign up their child for BabySteps. All babies

are eligible for enrollment until they turn one. Adopted children are eligible within one year of their adoption date.

Check the box on your child's birth certificate form or visit [BabyStepsSavingsPlan.org](http://BabyStepsSavingsPlan.org) to find out how to enroll.

SIGN UP NOW  
[BabyStepsSavingsPlan.org](http://BabyStepsSavingsPlan.org)

BabySteps  
Savings Plan 

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### How BabySteps Works

- Check the box on your child's birth certificate form or visit [BabyStepsSavingsPlan.org](http://BabyStepsSavingsPlan.org) to enroll.
- Receive an initial \$50 deposit.
- Save early and often to build your savings to help your child pay for their education and expenses.
- Take advantage of the free financial education for children and adults. Learn more at [BabyStepsSavingsPlan.org](http://BabyStepsSavingsPlan.org).
- Know that your college savings can pay for a variety of higher education expenses, including tuition, vocational training, books, and computer equipment.



mefa<sup>®</sup>

The BabySteps Savings Plan is a seeded college savings account program opened through the U.Fund, the Massachusetts 529 plan. The U.Fund is managed by the Massachusetts Educational Financing Authority (MEFA) and managed by Fidelity Investments.

SIGN UP NOW  
[BabyStepsSavingsPlan.org](http://BabyStepsSavingsPlan.org)

# Thank You!

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