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HOUSE MEMORIAL 64

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

G. Andres Romero

A MEMORIAL

REQUESTING THE OFFICE OF THE STATE AUDITOR TO CONVENE A PROSPERITY KIDS WORKING GROUP TO EXPLORE OPPORTUNITIES FOR PARTNERSHIP AND PROGRAM EXPANSION STATEWIDE.

WHEREAS, in partnership with New Mexico financial institutions, prosperity works of New Mexico has created a way for young people and their families who might not otherwise have the opportunity to save money and for them and their families to develop financial literacy skills while participating in new savings opportunities; and

WHEREAS, the savings and financial literacy program is a child savings account (CSA) called prosperity kids, and the custodial accounts established on behalf of the participants may be used for post-secondary education upon or after high school graduation; and

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1 WHEREAS, CSAs not used for post-secondary education may be
2 used for a stable transition into adulthood at age twenty-
3 three; and

4 WHEREAS, with funding provided through private grants and
5 individual contributions, prosperity works seeds each account
6 with one hundred dollars (\$100) and matches family deposits
7 made into each CSA up to two hundred dollars (\$200) a year for
8 ten years; and

9 WHEREAS, research has proven that children with a CSA are
10 ahead of their peers in social-emotional development by age
11 three, and ahead again in math and language in the third grade;
12 and

13 WHEREAS, research also demonstrates that children with
14 CSAs are four to six times more likely to enroll in college and
15 three times more likely to graduate than their peers without
16 savings accounts; and

17 WHEREAS, currently, the prosperity kids program is only
18 available to young people living in Bernalillo county; and

19 WHEREAS, research on prosperity kids five hundred thirteen
20 pilot participants has demonstrated that a culture of savings
21 and college expectations is a powerful motivator in the family
22 and community; and

23 WHEREAS, prosperity works and its supporters wish to see
24 the prosperity kids program expanded statewide; and

25 WHEREAS, in order to fund the expansion of the prosperity

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1 kids program statewide, there may be a possibility for
2 assessing a fee for licensure of financial products that could
3 provide funding for prosperity kids; and

4 WHEREAS, a work group of financial experts and legislators
5 may develop creative ways to finance this powerful opportunity
6 for the children of New Mexico;

7 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
8 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the state
9 auditor be requested to convene a working group to investigate
10 partnership opportunities and permanent funding sources,
11 including the possibility of assessing a fee for financial
12 products licensure that could be applied to teaching financial
13 literacy and the expansion of the prosperity kids program
14 statewide; and

15 BE IT FURTHER RESOLVED that the state auditor be requested
16 to invite to join the working group experts from the financial
17 services sector as well as members of the New Mexico
18 legislature; and

19 BE IT FURTHER RESOLVED that the prosperity kids working
20 group be requested to make policy and legislative
21 recommendations to the second session of the fifty-third
22 legislature; and

23 BE IT FURTHER RESOLVED that a copy of this memorial be
24 transmitted to the state auditor.