



THE MASSACHUSETTS ECONOMIC EMPOWERMENT TRUST FUND

One Ashburton Place 12th Floor Boston, MA 02108 | (617) 367-3900

Economic Empowerment Trust Fund Meeting

Date: Monday, September 12, 2022

Time: 1:01 PM

Location: Attendees participated remotely via Zoom platform

I. Meeting Call to Order and Roll Call

After announcing that the Treasurer Deborah B. Goldberg, was unable to attend and chair the meeting due to a scheduling conflict, Chair Sarah G. Kim, Designee, called the meeting of the Economic Empowerment Trust Fund ("EETF") to order at 1:01 PM with the following members present for all or part of the meeting:

Sarah G. Kim, Chair Designee
Marcony Almeida-Barros, Director of Community Engagement Division Designee
Elizabeth Barajas-Roman, Treasury Appointee
Roy Belson, Treasury Appointee
Jacqueline Furtado, Secretary of Housing and Economic Development Designee
Hamel Husbands, Treasury Appointee
Raichelle L. Kallery, Senate Minority Leader Appointee
Dr. Ellen Kennedy, Treasury Appointee
Tom Moreau, Assistant Secretary for Policy and Planning Designee
Former Lieutenant Governor Evelyn Murphy, Treasury Appointee
Todd Ostrowski, Commissioner of Elementary and Secondary Education Designee
Edward Palleschi, Undersecretary of Consumer Affairs and Business Regulation
Jerry Rubin, Treasury Appointee

Absent from the meeting:

Treasurer Deborah B. Goldberg, Chair
Barbara Anthony, Treasury Appointee
Senator Jamie Eldridge, Senate President Appointee
Michael Prisco, House Minority Leader Bradley Jones Jr. Appointee

Representative Daniel Ryan, Speaker of the House Appointee
Representative Steven Ultrino, Speaker of the House Appointee
Former Mayor of Framingham, Dr. Yvonne Spicer, Treasury Appointee

1:02 PM

Hamel Husbands and Jerry Rubin joined the meeting

1:03 PM

Rep. Steven Ultrino joined the meeting

II. Meeting Minutes
(Vote Motion)
1:04 PM

There being no further Board discussion, Chair Sarah Kim sought a motion to approve the June 13, 2022 EETF Board Meeting Minutes.

On a Motion by Ms. Ellen Kennedy, seconded by Undersecretary Palleschi.

Mr. Jerry Rubin pointed out that his title was listed incorrectly in the June 13, 2022 meeting minutes.

There being no further Board discussion, Chair Kim sought a motion to approve the edits by Mr. Rubin.

On a Motion by Ms. Kennedy, seconded by Mr. Marcony Almeida-Barros, the board unanimously voted, by roll call vote, to approve the edits and minutes from the meeting held on June 13, 2022.

Roll Call Vote:

Marcony Almeida-Barros: Yes
Roy Belson: Yes
Jacqueline Furtado: Yes
Hamel Husbands: Yes
Ellen Kennedy: Yes
Tom Moreau: Abstained (Absent from June 13, 2022 meeting)
Evelyn Murphy: Yes
Todd Ostrowski: Yes
Undersecretary Palleschi: Yes
Jerry Rubin: Abstained (Absent from June 13, 2022 meeting)
Chair Sarah G. Kim: Yes

The motion carried – 9 in favor, 0 against, 2 abstaining.

III. Presentation On BabySteps Evaluation by the Institute for Economic and Racial Equity
1:08 PM

Ms. Van Tassel began her report by giving the board a summary of the OEE’s contract with Brandeis University’s Institute for Economic and Racial Equity (“IERE”). She introduced Dr. Rebecca Loya, a Research Scientist at Brandeis University, who had been invited to the meeting to present preliminary findings on IERE’s BabySteps evaluation. In the interest of time, Ms. Van Tassel instructed members to hold questions until the end of the presentation.

Dr. Loya thanked the OEE and introduced her colleagues, Eunjung Jee and Madeline Smith-Gibbs, and gave the Board a brief introduction to BabySteps, as well as an overview of the study. She discussed both the quantitative and qualitative questions the study aimed to answer, the research methods used to gather data, and finally some recommendations by IERE to improve the program’s reach and effectiveness. The study looked at data from 529 accounts opened for 2 cohorts of children: *pre-BabySteps* cohort (born 2018-2019) and *BabySteps* cohort (born 2020-2021). The qualitative analyses Dr. Loya presented focused on two main things: the *uptake rate*, the number of new accounts divided by the number of residential births per cohort, and the *uptake by zip codes*, looking at low vs. high-income. The data charts represented snapshots taken every six months.

Dr. Loya presented data on the most recent 6-month period that showed the *BabySteps* cohort had a 9.9% uptake rate, compared to 8.5% for the *pre-BabySteps* cohort. She noted that while it may appear like a small difference, the *BabySteps cohort* had a 16% higher uptake than the *non-BabySteps* cohort in that time period. She further noted that although the 529 account uptake has increased 70% in low-income areas, and the fact that the uptake remains highest in higher-income areas, the data suggests that BabySteps is seeing success in its goal of reaching low-income families.

Moving on to the qualitative component, Dr. Loya stated that the study consisted of interviews with 32 low- and moderate-income families who were eligible for the BabySteps program. Of the total number of families, 22 had BabySteps accounts (“enrolled”) and 10 had not opened accounts (“unenrolled”). She further explained that her team also conducted 3 focus groups and one key informant interview with BabySteps administrators and partners, which included state level agencies and on the ground community partners. Dr. Loya noted that respondents came from all regions of Massachusetts with a little over half of the families having one parent from outside the United States, as well as a substantial participation from Hispanic and Latino families. The median household income for respondents was \$50,000.

Dr. Loya shared that respondent families learned about BabySteps while at the hospital through informational packets provided for new parents, as well as the BabySteps check box listed on the birth form. She discussed how the \$50 seed deposit draws parents’ attention to the program, how most parents want their child to complete college, and how enrolled families described

BabySteps as hope, investment in their children's future, economic security, and as a way of decreasing debt. However, she also discussed the challenges families face in interacting with the program, such as general life challenges, immigration status, digital divide, barriers related to BabySteps program structure, or unfamiliarity with 529 accounts, and digital applications. She noted the reactions varied from excitement to confusion when discussing the deposit and opening accounts. Parents were confused and overwhelmed with the application process, particularly the transition from the BabySteps website to the Fidelity site where accounts are opened. She cited other barriers as well, such as language barriers - birth certificates only in English - barriers after account opening, confusing website, and financial terminology. She further noted that many parents worried about investment risk and feared losing the money deposited.

Dr. Loya summarized the study as having found BabySteps to be associated with increased 529 uptake, and while the uptake has been much greater in higher-income areas, lower-income areas have also seen an uptake increase. She also added that in addition to the program reaching parents at a critical and complicated time in their lives, low-income families and non-English proficient parents also face numerous barriers to opening and interacting with accounts. She stated the final report will include additional findings taking into consideration the effects of the COVID-19 pandemic and racial and demographic data.

Dr. Loya ended the presentation with some recommendations, which included simplifying and demystifying the application and adding a transition page between BabySteps and Fidelity with simple instructions to help eliminate more than half the identified barriers; including instructions with BabySteps branding on Fidelity site; updating Fidelity website to make it more accessible to all families; including a link to definitions or instructions or a mouseover text (hovering over words provides information); widely publicizing the Spanish language 529 application and key materials; making application hard copies available to community partners with postage-paid envelopes; and building partnerships to offer more one-on-one enrollment assistance. She also offered some longer-term recommendations that included increasing the seed amount and/or making it progressive, something suggested by BabySteps partners; and expanding the time window for enrollment, perhaps from age one up to age two.

1:14 PM

Ms. Ellen Kennedy left the meeting

1:15 PM

Ms. Kennedy rejoined the meeting

1:24 PM

Ms. Kennedy left the meeting

1:29 PM

Undersecretary Palleschi left the meeting

1:33 PM

Ms. Kennedy rejoined the meeting

Ms. Van Tassel thanked Dr. Loya and the IERE team and opened the discussion to questions.

Mr. Jerry Rubin asked if Dr. Loya could draw any conclusion that could explain why take-up rate has increased overall, particularly low-income take-up, and the implications of these answers.

Dr. Loya mentioned that in regard to the low-to moderate-income population, OEE and MEFA have partnered with agencies and organizations that have sustained contact with these populations. She suggested the \$50 seed repeated messaging, the involvement of many community partners, as well as the presence on the birth certificate are all factors driving up-take and enrollment.

Mr. Todd Ostrowski asked her thoughts on what amount the EETF board could increase the \$50 seed deposit to, to encourage greater enrollment from low-income families.

Dr. Loya stated that when asked an amount that would encourage enrollment, unenrolled low-income families listed various amounts, but all were above \$50. She emphasized that there is no such thing as “one magic number” that could maximize enrollment.

Chair Sarah Kim asked how the study came to the number of people included in the cohorts surveyed, and whether she had any thoughts on how to improve accessibility for non-English speakers, or for those whom English is not their first language.

Dr. Loya explained that looking for synthesis or consistent types of answers from the sample, was an indicator of a good enough sample size (32 respondents). She also stated that IERE offered interviews in English, Spanish, and Mandarin Chinese and pointed out that language inaccessibility is an industry wide problem with great need to have translated forms. She suggested that Fidelity needs to make translated forms available on their end as well.

Ms. Bahar Akman Imboden from the Hildreth Institute thanked Dr. Loya for the presentation and the work done to better understand the challenges facing families. She mentioned it was encouraging to see the percentage increase in low-income zip codes and asked how many more accounts were opened in those communities.

Ms. Eunjung Jee responded to Ms. Imboden by stating that based on the latest period for each cohort (pre-BabySteps and BabySteps) in the low-income areas, the number of accounts was 143 for the pre-BabySteps cohort and was 255 for the BabySteps cohort.

Mr. Roy Belson questioned if participants really believed that this investment would make a difference, and whether they could sustain their participation.

Dr. Loya explained that the BabySteps program communicates to parents the message that somebody believes in their children and their post-secondary education; however, she also made a point that the message needs to persist over time. She further explained participants acknowledge that while \$50 will not entirely pay for college, it will help provide some practical value in that, even if college was free, there would be additional costs to attending post-secondary school. She emphasized that ongoing communications are necessary for sustainability.

Mr. Todd Ostrowski shared a link in the chat which translates the Fidelity website into various languages to illustrate the ease with which these translations can be done.

(<https://translate.google.com/?sl=auto&tl=en&op=websites>)

1:51 PM

Undersecretary Palleschi rejoined the meeting

Chair Sarah Kim argued that if these translation services require strong internet, OEE should not give up on translating physical documents.

Dr. Loya asserted that spoken/written language barriers are interwoven with financial language barriers and pointed out that one of the interviewed participants, who runs a state agency, was also confused about the application process.

Mr. Ostrowski commented in the chat that language barriers require a combination of conversation, paper copy, translation, etc.

Ms. Imboden questioned the sustainability and families' participation after account opening. She specifically questioned if there had been issues with families making deposits after opening an account.

According to Dr. Loya, while 2/3 of families that opened accounts had made at least one deposit; however, the remainder 1/3 had not made a deposit due to overwhelming feelings of confusion and fear that their funds would not be safe. She went on to say that as it stands, the research is cross-sectional, and that they had received approval to reconnect with these families over time.

Ms. Tish Rosabelle commented in the chat that she was trying to proceed with the 529 application with the aid of Google Translate Website (in Spanish) and was having trouble.

Mr. Anthony Zero mentioned that there is a significant limitation to Google translate, and that embedded forms or documents do not usually translate well.

Mr. Ostrowski agreed that context and English words/phrases do not necessarily make for a smooth translation to another language and thanked both OEE staff members for further looking at the forms.

Mr. Belson mentioned the importance of constant communication and questioned how OEE could develop the follow-up material to keep the program alive.

Dr. Loya stated that engagement from local stakeholders provides an opportunity for further support and engagement with the program, and that sometimes this can act as a laboratory for statewide policies.

Ms. Van Tassel thanked Dr. Loya and the IERE team for the insightful presentation. She announced that the full report would be released later in the Fall and that copies would be shared with the board.

Dr. Loya thanked the OEE and the EETF board for the opportunity. She also acknowledged and thanked Ms. Eunjung Jee, Ms. Madeline Smith-Gibbs, and Mr. Armando Vizcardo-Benites for their support with the evaluation.

Chair Sarah Kim thanked Dr. Loya and the IERE team for their work and turned the board's attention to Ms. Van Tassel for the Executive Director's Report.

IV. Reports 2:03 PM

a. Executive Director's Report

Ms. Van Tassel began the report by noting that due to the IERE's presentation, Ms. Daphna Gluck would not be presenting updates on the BabySteps program. Instead, updated enrollment numbers and other information could be found in the board meeting packet.

Moving on to the Fiscal Year 2023 Budget, Ms. Van Tassel highlighted the Senate budget appropriation for FY2023 which included \$500,000 for a BabySteps matching program that matches \$1 for \$1 any donations received by the EETF for the program. She also mentioned the \$100,000 in funding to the Massachusetts Council for Economic Education ("CEE") for a collaboration with Next Gen Personal Finance that will provide Massachusetts teachers the training required to successfully teach financial education to students in the Commonwealth.

Finally, Ms. Van Tassel informed the board that as the October 31, 2022 Student Loan Forgiveness deadline approached, the OEE would host a Money Talk Tuesdays Student Loan Forgiveness with CFPB on September 27, 2022 at 12:00pm.

b. Grant Reports

i. NAST Financial Wellness Grant/ Financial Wellness for MA State Employees and Retirees

Mr. Jack Martin informed the Board that around 1,100 new accounts had been created since the Financial Wellness portal transitioned to the Enrich website, with 721 accounts having been created in April 2022, during the Financial Literacy Month. He also mentioned that the OEE was planning an in-person outreach opportunities in the fall, including a sign-up table at Ashburton Place with free cider and donuts to employees and retirees who wish to learn more about the program. Mr. Martin also reviewed the Financial Wellness Program financials and highlighted that most expenses had been incurred on sign-up incentive drawings.

ii. Citizens Grant/Worth & Wealth Seminars

Ms. Samantha Perry reviewed the financial statement for the Women's Empowerment programming and highlighted the funds used for gift card incentives, web services, and

remaining payments for design contractor related to the Childcare Startup program. She informed the board that with the conclusion of the Worth and Wealth Seminars in May 2022, the OEE concentrated their efforts on the initiative with Citizens that supported Childcare Startup Grants for home childcare providers in Springfield and Lynn, MA. She confirmed the grant was a success with 42 applicants and 11 grantees: nine (9) from Springfield and two (2) from Lynn.

According to Ms. Perry, the medium income of the employed grantees ranged between \$17,000 - \$65,000. Of the all-female identifying grantees, seven (7) identify as Hispanic and other, one (1) as Black, two (2) as Black and other, and one (1) as White. Ms. Perry announced the grantees would also participate in three small business workshops launching in October and as part of a support system, would be matched with local family childcare centers contracted by EEC. The \$4,500 grant payment, which utilizes unspent funding from Citizens, as well as new 2022 funding, will be disbursed to grantees in two installments.

Ms. Perry thanks OEE's staff members, Mr. Armando Vizcardo-Benites and Ms. Tish Rosabelle, for their work with the communities involved in the program.

Mr. Ostrowski questioned whether M&T Bank will continue with the Older Adults Fraud and Scam Prevention Workshop now that it has merged with People's United Bank.

Ms. Perry stated that the partnership with M&T Bank will continue with the Older Adults program, as well as the recently approved Community Ambassador's program.

c. Trust Fund Budget Report
2:14 PM

Ms. Van Tassel reviewed the statement of income and expenses and reiterated Ms. Perry's previous account that most expenses had been in connection with the Women's Empowerment programming and noted that since its launch in January 2020, the BabySteps Savings Plan had funded a total of 19,643 accounts as of August 30, 2022.

d. Baby Bonds Task Force Report
2:16 PM

Bringing the board's attention to her presentation, Ms. Daphna Gluck reviewed the Baby Bonds Task Force ("BBTF") mission and confirmed the Task Force had about eighty (80) members across four (4) subcommittees: Eligibility and Funding; Building Financial Capability and Engagement; Accessing and Using Baby Bonds; and Trust Management, Oversight, and Operations.

Ms. Gluck discussed the Community Participation team and their focus on community engagement to ensure the programs reaches the communities who need the most help. She stated the Eligibility and Funding subcommittee was still grappling with central questions as to who is

eligible, the amount of funding per child, and how the program will be funded. She argued the program should ensure automatic enrollment, a significant amount of funds per child at the end of the program, and that the funds will be used for asset building purposes. Finally, she stated that the program is looking to engage children and families throughout their lives, not just at the time of eligibility or withdrawal.

As for the next steps, Ms. Gluck noted the timeline as follows:

- September 30: deadline for recommendations
- October 14: draft legislation sent to Treasurer Goldberg
- November 9: Treasurer files legislation
- December 31: deadline for final report

V. Approval of 2023 Meeting Dates
(Vote Motion)
2:22 PM

Chair Sarah Kim informed the board that remote meetings are authorized through March 31, 2023, and that if/when in-person meetings resume in 2023, they will take place at the Crane Conference room at Ashburton Place.

Ms. Van Tassel read the proposed meeting dates and mentioned an email with the dates would be sent in the coming days.

There being no further Board discussion, Chair Sarah Kim sought a motion to approve the proposed meeting dates for 2023.

On a motion by Former Lieutenant Governor Evelyn Murphy, seconded by Undersecretary Palleschi, the board unanimously voted, by roll call vote, to approve the proposed 2023 meeting dates.

Roll Call Vote:

Marcony Almeida-Barros: Yes
Elizabeth Barajas Roman: Yes
Roy Belson: Yes
Jacqueline Furtado: Yes
Hamel Husbands: Yes
Ellen Kennedy: Yes
Tom Moreau: Yes
Evelyn Murphy: Yes
Todd Ostrowski: Yes
Undersecretary Palleschi: Yes
Jerry Rubin: Yes

Chair Sarah G. Kim: Yes

The motion carried – 12 in favor, 0 against, 0 abstaining.

VI. Announcements
2:25 PM

No announcements were made.

VII. Next Meeting
2:26 PM

Chair Sarah Kim reminded the board of the next meeting on December 5, 2022.

VIII. Adjournment
2:27 PM

Chair Sarah Kim sought a motion to adjourn.

On a motion by Ms. Kennedy, seconded by Mr. Almeida-Barros, the board unanimously voted, by roll call vote, to adjourn the September 12, 2022 meeting at 2:27 PM.

Roll Call Vote:

Marcony Almeida-Barros: Yes
Elizabeth Barajas Roman: Yes
Roy Belson: Yes
Jacqueline Furtado: Yes
Hamel Husbands: Yes
Ellen Kennedy: Yes
Tom Moreau: Yes
Evelyn Murphy: Yes
Todd Ostrowski: Yes
Undersecretary Palleschi: Yes
Jerry Rubin: Yes
Chair Sarah G. Kim: Yes

The motion carried – 12 in favor, 0 against, 0 abstaining.

LIST OF DOCUMENTS AND EXHIBITS USED

1. Meeting Agenda
2. Meeting Minutes – June 13, 2022
3. IERE’s BabySteps Evaluation Preliminary Findings PowerPoint
4. Executive Director’s Report
5. Baby Bonds Update Power Point
6. Grant Reports
 - a. NAST Financial Wellness Grant/ Financial Wellness for MA State Employees and Retirees Report
 - b. Citizens Grant/ Worth & Wealth Seminars Power Point
6. Trust Fund Budget Reports
 - a. Balance Sheet by Class
 - b. Profit & Loss by Class
 - c. BabySteps Funded Accounts
8. Articles and Press Releases
 - a. 6/17/2022 - The Office of Economic Empowerment Receives 2022 Justice in Action Award (Mass.gov)
 - b. 6/22/2022 - Office of Economic Empowerment Receives Jane Doe Inc.’s 2022 Justice in Action Award (Everett Independent)
 - c. 6/22/2022 - OEE Receives Justice in Action Award From Jane Doe Inc. (Revere Journal)
 - d. 6/22/2022 - Office of Economic Empowerment Receives Jane Doe Inc.’s 2022 Justice in Action Award (East Boston Massachusetts Newspaper)
 - e. 6/22/2022 - Treasurer Goldberg Announces Baby Bonds Task Force (Revere Journal)
 - f. 7/12/2022 - ServiceNet’s Gisenia Stewart To Join Baby Bonds Task Force (Business West)
 - g. 7/13/2022 - Holyoke woman tapped for task force to explore creation of a baby bonds program in Massachusetts (Daily Hampshire Gazette)
 - h. 7/18/2022 - ServiceNet’s diversity coordinator tapped for task force to explore creation of baby bonds program (Greenfield Recorder)
 - i. 7/20/2022 - Free \$50 for college going unclaimed in poorer communities Common (Wealth Magazine)

- j. 7/22/2022 - Startup grants aimed at 2 "child care deserts" in Massachusetts (CBS Boston)
- k. 7/25/2022 - State to provide funding, training to start childcare businesses (Boston Business Journal)
- l. 7/26/2022 - Wu, state officials take steps to bolster child care offerings (WGBH)
- m. 7/29/2022 - Home childcare pilot program offered in Springfield, Lynn (MassLive/Springfield Republican)
- n. 7/29/2022 - LifePath looks to serve more local veterans through Money Management program (Greenfield Recorder)
- o. 8/9/2022 - Massachusetts task force considers baby bonds to address racial wealth gap (WBUR)
- p. 8/30/2022 - State Treasurer Deborah B. Goldberg Appoints New Chair of the Cannabis Control Commission (Mass Treasury)
- q. 8/30/2022 - Former treasurer Shannon O'Brien picked to lead cannabis board (CommonWealth Magazine)
- r. 9/1/2022 - Easthampton native Shannon O'Brien to chair Cannabis Control Commission (Daily Hampshire Gazette)