Welcoming Remarks by James Bullard, President and CEO
Symposium: *529s and Child Savings Accounts*
Federal Reserve Bank of St. Louis and Washington University in St. Louis
St. Louis, Mo.
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Thank you, and welcome to today's event on ***529s and Child Savings Accounts: New Strategies to Promote Savings and Development for America's Children.***

Today's event has been jointly organized by the St. Louis Fed's Center for Household Financial Stability, led by Ray Boshara, and our Community Development Department, led by Yvonne Sparks. I thank Ray and Yvonne and their teams for doing all the hard work of putting this event together. I also thank Michael Sherraden and his excellent team at the Center for Social Development at Washington University in St. Louis, our partner for this and many other events organized by the center.

The St. Louis Fed is excited about the potential of child accounts—whether structured through financial institutions or through 529 college savings plans—to help children and their families save for a brighter future. The evidence on the effectiveness of child savings accounts thus far is encouraging and has inspired exciting programs and policies in the St. Louis region and nationwide. We are fortunate to have many of those initiatives featured here today. Let me offer a special thank you to all of our speakers, many of whom traveled from all over the U.S. to share their experience and expertise with us.

Research led by Bill Emmons from the Center for Household Financial Stability suggests that today's younger Americans are not likely to accumulate as much wealth as previous generations of younger Americans at a similar age. For example, an American born in 1970 is on a path to accumulate 40 percent less wealth over his or her lifetime than an American born in 1940. By enabling savings for college early in life, children and youth are more likely to accumulate wealth—which is essential for their own financial security, as well as for the economic health of our nation.

Other research, led by many of the scholars in this room, shows that child accounts contribute to child development, parental expectations for children's educational achievement, maternal mental health, college access and completion, more savings later in life, and financial capability.

These results suggest that more should be done to ensure that these accounts are available to more children and younger Americans.

As everyone here knows well, the relative cost of education is increasing, and today about seven in 10 students have to rely on loans to finance their education. Savings not only make it more likely children will attend and complete college, savings also reduce the amount of borrowing necessary to get the degree that is so essential to success in today's economy. In fact, recent research by Guillaume Vandenbroucke of the St. Louis Fed shows that the lifetime financial benefits of an education—sometimes called the skill premium—have never been so high.

In short, it is important to save, save early and save often. Households can accomplish all three by making sure every child has his or her own savings account. That is a big part of the appeal of many of the policies and programs we will be discussing today: Through an automatic, initial deposit, child accounts enable *every* child—regardless of income, race, ethnicity or family background—to get on a path toward college savings, making lifelong savings more likely as well. The St. Louis Fed is proud to be part of this exciting public policy discussion.

Thank you and, again, welcome to the Federal Reserve Bank of St. Louis.