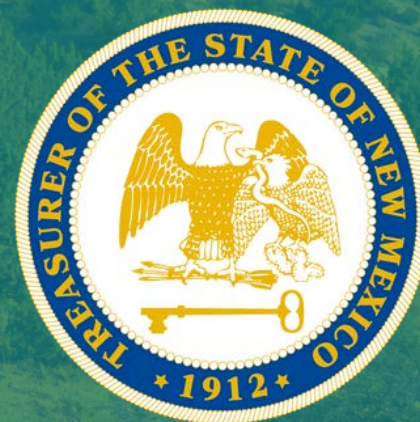




BABY BONDS POLICY DISCUSSION

NEW MEXICO
STATE TREASURER'S OFFICE

JUNE 25, 2026



AGENDA

What are Baby Bonds?

- Presentation and overview
 - What are we trying to achieve?
- Participating states
 - Dos and Don'ts
- Active Pilots Programs (Nationally)
 - Findings/Research

Compare and Contrast — Baby Bonds and Trump Accounts

- What are Trump Accounts?
- Pros and Cons

What's been done in NM thus far?

- Legislation
- Pilot Programs
- National-level participation

Discussion: What's it going to take to for NM to pass Baby Bonds Legislation?

- Other stakeholders needed at the table?
- "Running the traps"
 - Risks, Issues and Assumptions
- Recommendations



STO INITIATIVES

Baby Bonds

Financial Fitness

NM STABLE

**Women
Empowerment**

**Diversity, Equity &
Inclusion (DEI)**



WHERE IS NM TODAY?

FAMILY AND COMMUNITY

New Mexico is ranked **49th**.

Source: The Annie E. Casey Foundation, 2024 Kids Count Data Profile

CHILD WELL-BEING

New Mexico is ranked **50th**.

Source: The Annie E. Casey Foundation, 2024 Kids Count Data Book

EDUCATION

New Mexico is ranked **50th**.

Source: The Annie E. Casey Foundation, 2024 Kids Count Data Profile

HEALTH

New Mexico is ranked **44th**.

Source: The Annie E. Casey Foundation, 2024 Kids Count Data Book

SUBSTANCE ABUSE

New Mexico consistently has the **highest alcohol-related death rate** in the country and ranked sixth nationally for drug overdose deaths in 2021.

Source: New Mexico Legislative Finance Committee Progress Report, August 24, 2023

INCARCERATION

With an incarceration rate of 647 per 100,000 residents, New Mexico locks up a **higher percentage** of its people than any **independent democratic country on earth**.

Source: Prison Policy Initiative, New Mexico Profile

The state spent at least **\$2 billion** in FY23 on income support programs to subsidize low wages and support people not working.¹

ECONOMIC WELL-BEING

New Mexico is ranked **48th**.

Source: The Annie E. Casey Foundation, 2024 Kids Count Data Book

PUBLIC ASSISTANCE

New Mexico has the highest per-capita percentage of SNAP recipients and Medicaid recipients in the country

Source: USDA Economic Research Service & NM Senate Bill 88 Fiscal Impact Report, 2025

VIOLENCE

New Mexico topped a recent Forbes list of ‘Most Dangerous States’ with the **highest violent crime rate** in the nation.

Source: Forbes, March 2024

SUICIDE

In 2022, the most recent data available, New Mexico had the **fourth highest** suicide rate (24.7 per 100,000 residents) in the United States.

Source: NMHealth, September 5, 2024

Sources: Legislative Finance Committee Program Evaluation Unit, 2023. Income & labor force participation: ACS 5-year Estimates. Unemployment: Bureau of Labor Statistics.

Footnote: \$8 billion includes federal spending. The state portion is approximately \$2 billion.



WHAT'S HAPPENING IN NEW MEXICO?

People are leaving: **Out-migration outpaces in-migration**. Those leaving tend to be younger, better educated, and have a higher income.

Wages are low and poverty is high: **New Mexico ranks 3rd in poverty nationally**, with persistent disparities for Native Americans, women, and people born in-state.

Educational attainment is lagging: **Graduation rates are low**, especially for in-state-born residents. Many still leave college with debt despite generous aid.



WHAT'S HAPPENING IN NEW MEXICO?



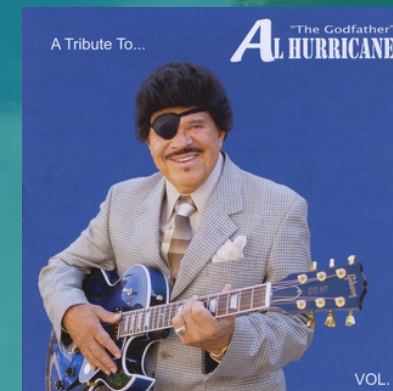
Housing and capital are out of reach: First-time buyers struggle with affordability. **Small businesses face barriers to financing-especially in rural and underserved areas.**

Retirement security is weak. Most private-sector workers lack access to workplace retirement savings. **One-third of seniors live in poverty,** heavily reliant on Social Security.

- In recent WalletHub studies, New Mexico ranked 50th (last) overall for the "Best States to Live In" and as the worst state to raise a family in 2025.

BUT...

- We live in a state where we have all four seasons, sometimes in a day, and sometimes in an hour.
- We have the best food, including our famous green and red chile.
- We have the most beautiful and unique jewelry and art.
- We have a state full of beautiful cultures, music, traditions, etc.
- We are a majority-minority state where Spanish is considered an official language...



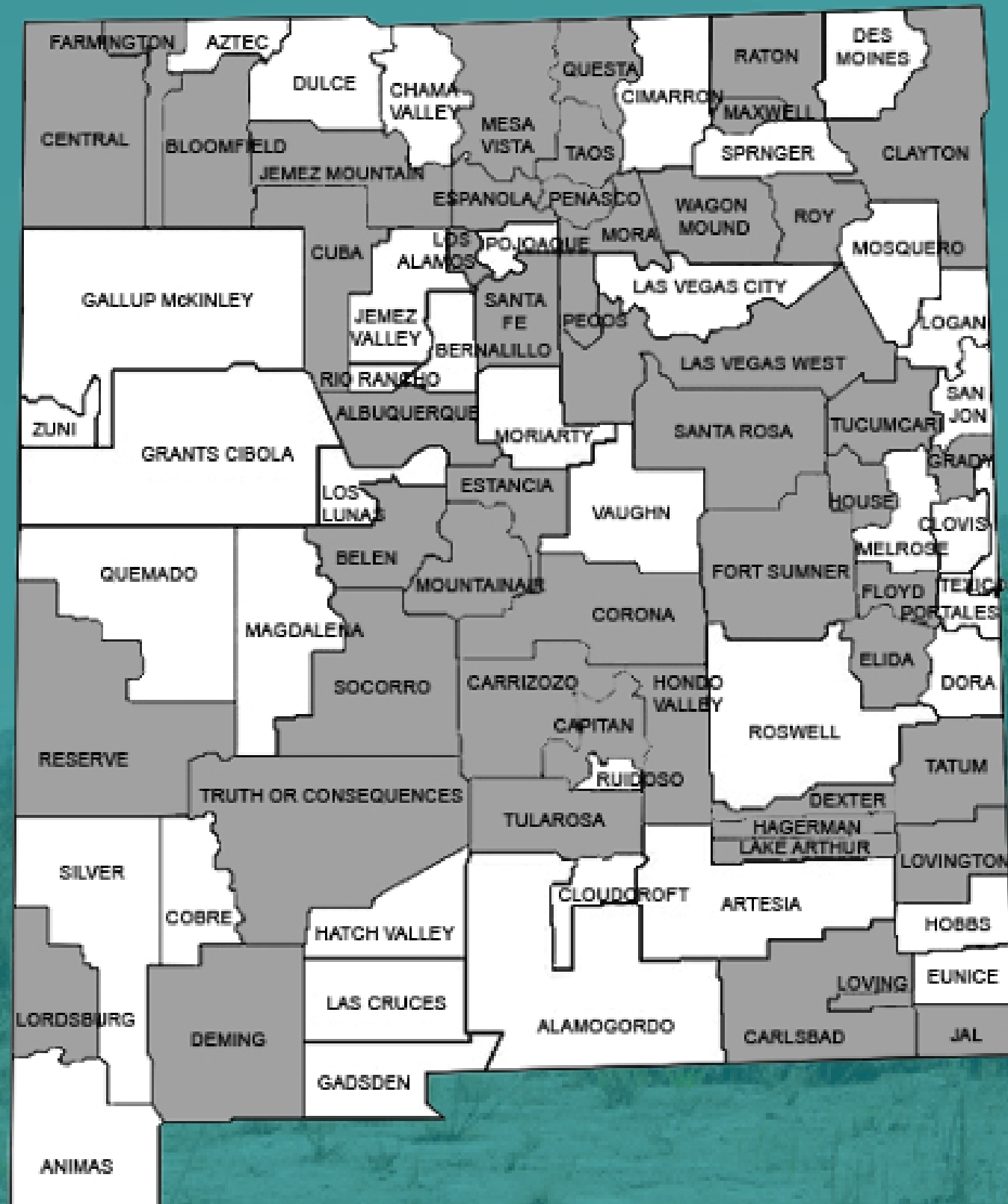
And...





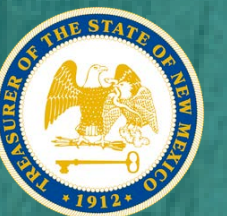
- New Mexico became the **first state in the nation to offer no-cost universal child care** starting November 1, extending access to families regardless of income and saving families an average of \$12,000 per child each year.
- New Mexico is **third largest energy producing state in the nation.**
- SunZia Wind and Transmission project is currently **the largest wind project in the western hemisphere**, with the capacity of 3.5 gigawatts and is paired with 550 mile transmission line. (Corona, NM).
- Pacific Fusion project- **\$1 billion fusion research and manufacturing campus** in New Mexico – **will create hundreds of jobs.**
- New Mexico has the **2nd largest sovereign wealth fund in the US at \$70Bil.**
- Home to **two major scientific laboratories.**
- Offer **two incredible pension plans**, one for public service employees and one for teachers.

FINANCIAL FITNESS IN NEW MEXICO



Source: Think NM

- As of May 2026, 56 school districts enrolling 66% of New Mexico students (187,816) have made financial literacy a high school graduation requirement for their students.
- 43 of those districts require completion of a year-long financial literacy course, while 13 require at least a semester.
- Total Student Population in New Mexico: 308,913
- **Percentage of Total Student Population in these Districts: 66.11%**
- **Interim Goal January 2027: 75%**



COMPARE & CONTRAST



Purpose

Enrollment

Funding/Mgmt

Risk

Who Benefits

Baby Bonds	529/530a Accounts
Promote a fair start, address wealth differences	Encourage early savings
Automatic	Voluntary
Public, targeted, substantial	Modest public seed + private
Shared/Pooled fund	Individual
Those with fewer resources	Those with capacity to save, charity

BABY BONDS

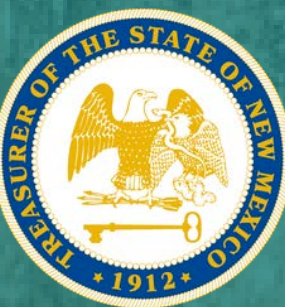
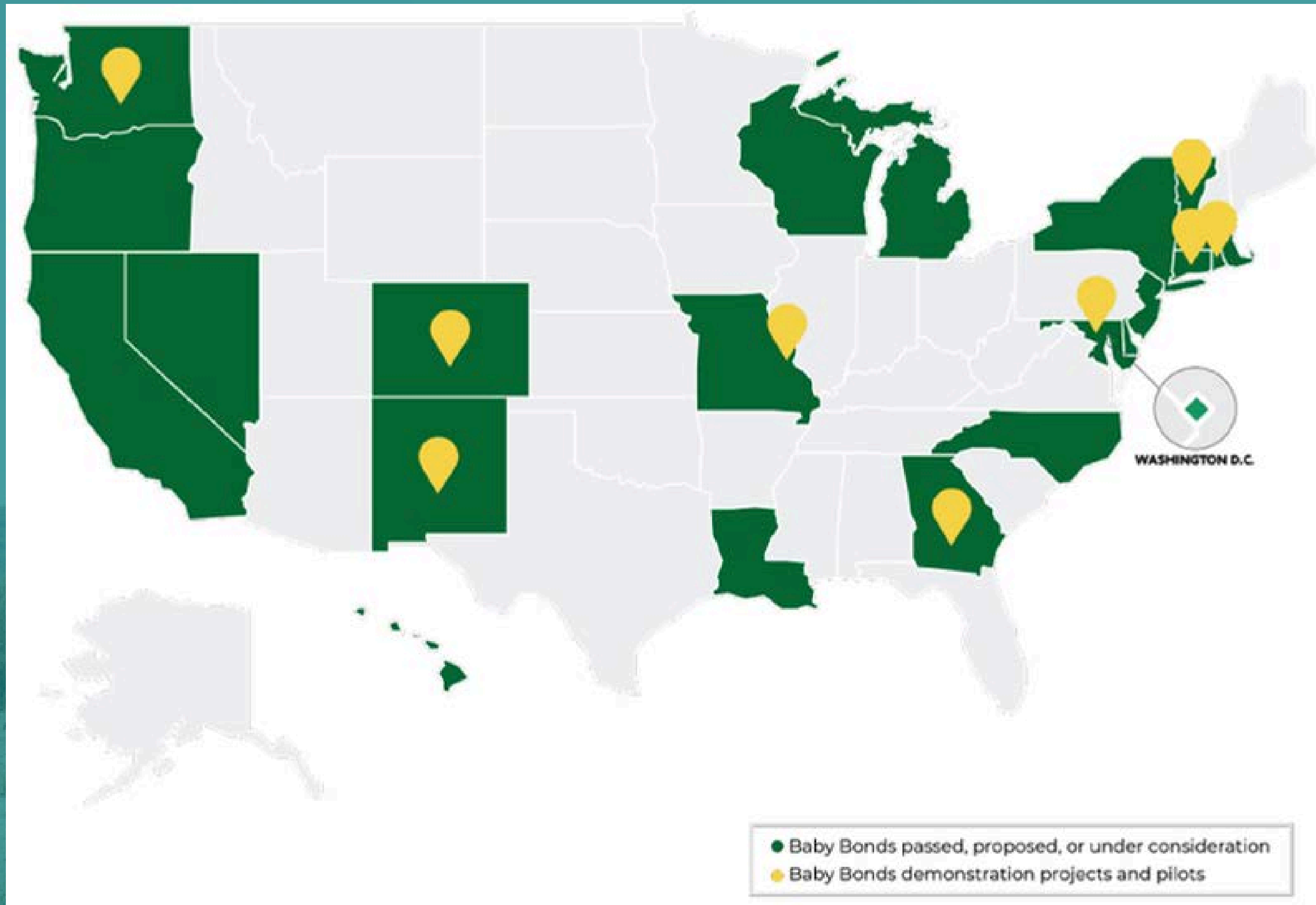


New Mexico Baby Bonds will create a government-funded trust account which will incur interest and provide startup capital to every baby born in New Mexico **after legislation is passed**. Once they reach adulthood, Baby Bond recipients will have indirect access to the accumulated funds, which will provide them with the opportunity to:

- Invest in higher education or trade school
- Secure a down-payment on a home or reliable vehicle
- Access capital to start a business
- Build essential retirement savings



PARTICIPATING STATES



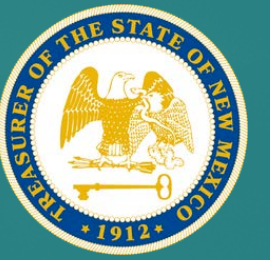
PARTICIPATING STATES PASSED LEGISLATION



State	Program	Year of Implementation	Funds	Use
California	HOPE Accounts 56,000 foster youth and children who lost a parent to COVID	Passed in 2022	\$3,000 per child 2022-Allocated \$100M but in 2025-206 state budget, lawmakers transferred \$40M back to General Fund	Age 18-26 Education, Business, Home, Wealth-generating endeavors
Connecticut	Husky Baby Bond Started with 7,810 babies but planned for 15,000 annually. Currently, over 33,000 babies enrolled	Passed in 2021; Implemented in 2023	\$3,200 per child 2023-Funded \$381M	Age 18-30 Education, Business (CT), Home (CT), Retirement Must complete financial literacy training
Rhode Island	Works Program	Passed in 2025	\$3,000 per child FY26 Budget did not include but will be funded via unclaimed property remittances instead of General Fund	Age 18-35 Education, Business, Home, Retirement (All in RI)
Vermont	Baby Bond Trust Program	Pilot Program passed in 2025	\$3,200 per child Would require \$6.4M. The trust is designed to accept gifts, bequests, endowments, grants, and any other public or private sources	Age 18-30 Education, Business (VT), Home (VT), Retirement Must complete financial literacy program
Washington, DC	Baby Bonds Plan	Passed in 2021; Implemented in 2026	\$500 per child; Up to \$1,000 annual deposit plus earnings Unfunded & Cut in Mayor Bowser's proposed 2026 budget	Age 18
*Federal	American Opportunity Accounts Act	Proposed in 2021	\$1,000 per child; Up to \$2,000 annually based on family income	Age 18

*Federal legislation was introduced by U.S. Sen. Cory Booker (D-NJ) and Rep. Ayanna Pressley (D-MA) in 2021.

PARTICIPATING STATES PROPOSED LEGISLATION



Colorado

Delaware

Georgia

Hawaii

Maryland

Massachusetts

Michigan

Nevada

New Jersey

New York

New Mexico

North Carolina

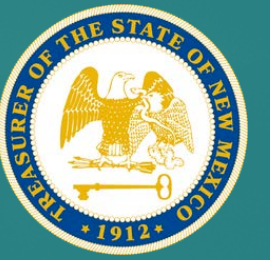
Rhode Island

Vermont

Washington

Wisconsin

PARTICIPATING STATES PILOTS



Montgomery and Prince
George's Counties, Maryland
Brilliant Futures

Washington
Future Fund

Atlanta, Georgia
Freedom Futures

New Haven, Connecticut
Wealth Accelerator

New Mexico
**Baby Bonds via Partnership
for Community Action**

St. Louis, Missouri
On Our Block



Institute on Race, Power
and Political Economy

[About](#)
[Our Work](#)
[Events](#)
[News](#)
[Insights](#)
[Stay Connected](#)
[Donate](#)

BABY BONDS

Baby Bonds are an increasingly popular bipartisan government policy in which every child born into poverty receives a publicly funded trust account at birth. This "start-up capital" allows young adults to access education, home ownership, and entrepreneurship, enabling them to build wealth and lead lives that are hopeful, fulfilling, productive, prosperous, and self-directed.



DARRICK HAMILTON
FOUNDING DIRECTOR
INSTITUTE ON RACE, POWER AND
POLITICAL ECONOMY AT THE NEW SCHOOL
and then those accounts are

Follow our **Baby Blogs** series to learn about the vision, politics, and people behind Baby Bonds and their transformative impact on the lives of young people, their families, communities, and our economy.

- Baby Bonds Home
- Why Baby Bonds
- Baby Blogs
- Baby Bonds Around the US
- Baby Bonds Pilot Projects
- Research and Resources
- In the News
- 530a ('Trump' accounts)
- Health and Wealth
- Baby Bonds Newsletter Archive
- Baby Bonds History

JOIN OUR BABY BONDS ENEWS LIST

* indicates required

BABY BONDS

RESEARCH/FINDINGS

- The New School Institute on Race, Power and Political Economy-Dr. Hamilton & David Radcliffe
- The Office of Connecticut State Treasurer Erick Russell-CT Baby Bonds
- The Johns Hopkins Bloomberg School of Public Health
- Aspen Institute

And much more....



NEW MEXICO RESEARCH ECONORTHWEST REPORT

Potential Economic and Social Impacts of a Statewide Baby Bonds Program in New Mexico

A bold strategy to retain talent, restore opportunity, and invest
in generational prosperity



A PATHWAY TOWARD A SECURE FINANCIAL FUTURE



WHAT ARE WE TRYING TO ACHIEVE?

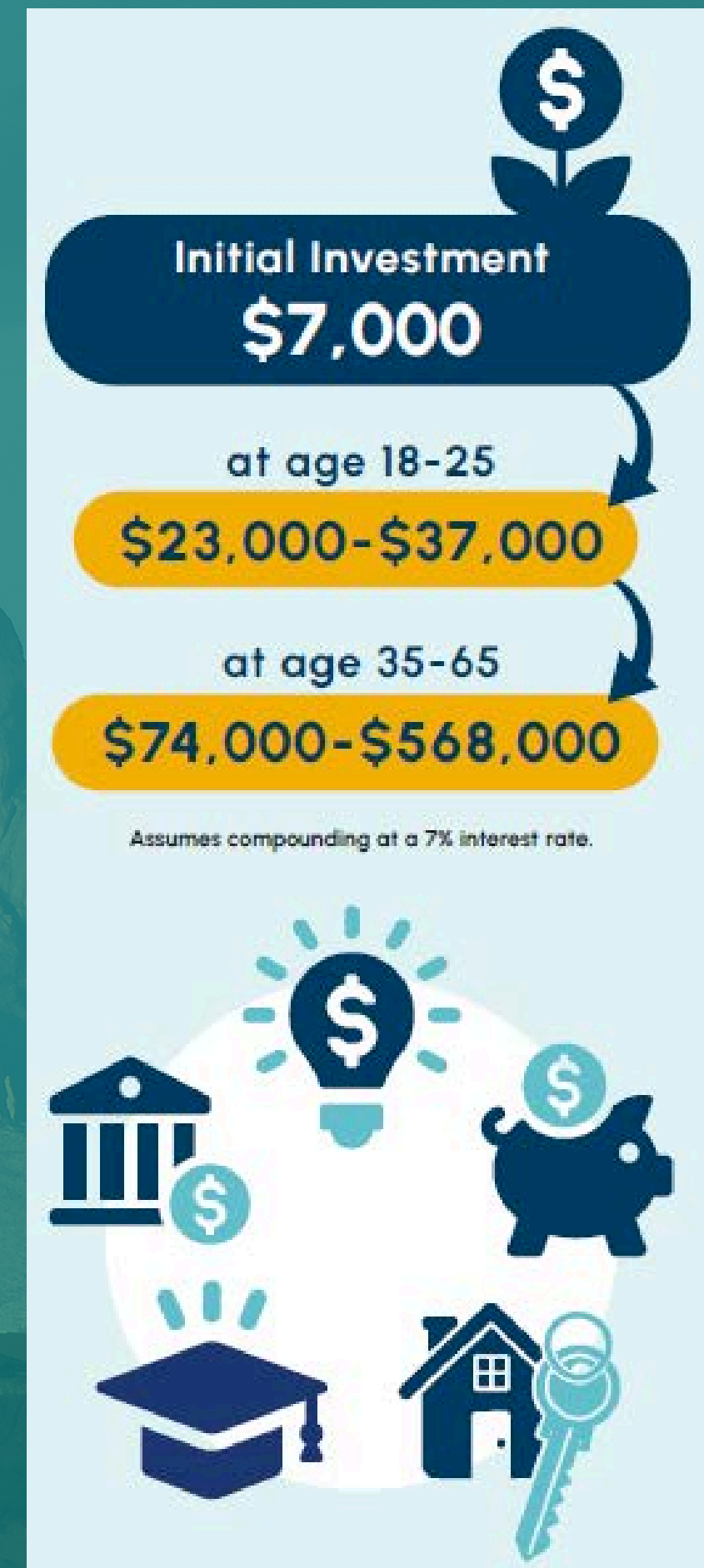
Close the Wealth Divide

How Can Baby Bonds Help?

Baby Bonds offer a long-term solution to the state's short-and long-range challenges by giving every child born in New Mexico access to an investment they can use between ages 18-35 to build wealth.

The investment is designed to:

- **Jumpstart homeownership:** Baby Bond funds can support down payments or home renovations, increasing access to ownership and equity-building, especially for first-time buyers.
- **Expand access to education:** By covering tuition, training, and other higher educational costs, baby bonds reduce reliance on student loans and improve degree completion and career readiness.
- **Fuel entrepreneurship:** Aspiring business owners can use baby bonds to launch or grow ventures, especially in capital-starved communities.
- **Improve mobility and job access:** Purchasing a reliable vehicle helps rural and low-income recipients access education and employment.
- **Offer long-term stability:** Unused funds convert into retirement savings after age 65—building a safety net where none exists for many today.



BABY BONDS - WHERE ARE WE GOING?



✓ \$242 million in new **household wealth** from home equity, retirement savings, and debt reduction.



✓ 860 job-years created and \$47 million in **new labor** income.



✓ \$151 million in business revenue and **entrepreneurial activity**.



✓ \$90 million boost to **GDP**, driven by new demand across key sectors.



✓ \$130 million in new **tax revenues**—including property taxes, gross receipts, and excise taxes—across all levels of government.



✓ 25% reduction in out-migration would keep an estimated 1,500 more residents per age cohort **working and living** in New Mexico.

Baby Bonds Can Decrease...

Substance Abuse

Violence

Incarceration

Outmigration

Suicide

State Income Support Program Funding

AND Improve...

Education

Health

Child Well-Being

Economy



BABY BOND PATHWAY IN SOCORRO COUNTY



Consider an 18-year-old living in Magdalena, rural Socorro County in New Mexico. This young person is among the 37% of children in Socorro County who live in poverty. He, his parent, and his grandparent together subsist on just \$26,650 per year.



1 in 3 people do not graduate on-time from high school in Socorro County. 1 in 5 renters lack access to a vehicle.

This young person finishes high school and plans to enroll in career and technical education (CTE) training. He uses part of his baby bond to purchase a vehicle, making it easier to get a job, contribute to his family's wages, and attend CTE classes an hour away.



Lack of access to capital is the primary barrier for small business entrepreneurship, for people in rural areas and especially for non-white populations.

Thanks to a reliable vehicle and tuition-free training through New Mexico Promise, he was able become certified as an electrician. At age 30, he is ready to open his own business, unattainable for most New Mexicans due to lack of capital. He uses his baby bond to put a downpayment on a van, purchase equipment, obtain a business license and other needs for his new business.



In New Mexico, two thirds of private-sector workers do not have access to retirement plans.

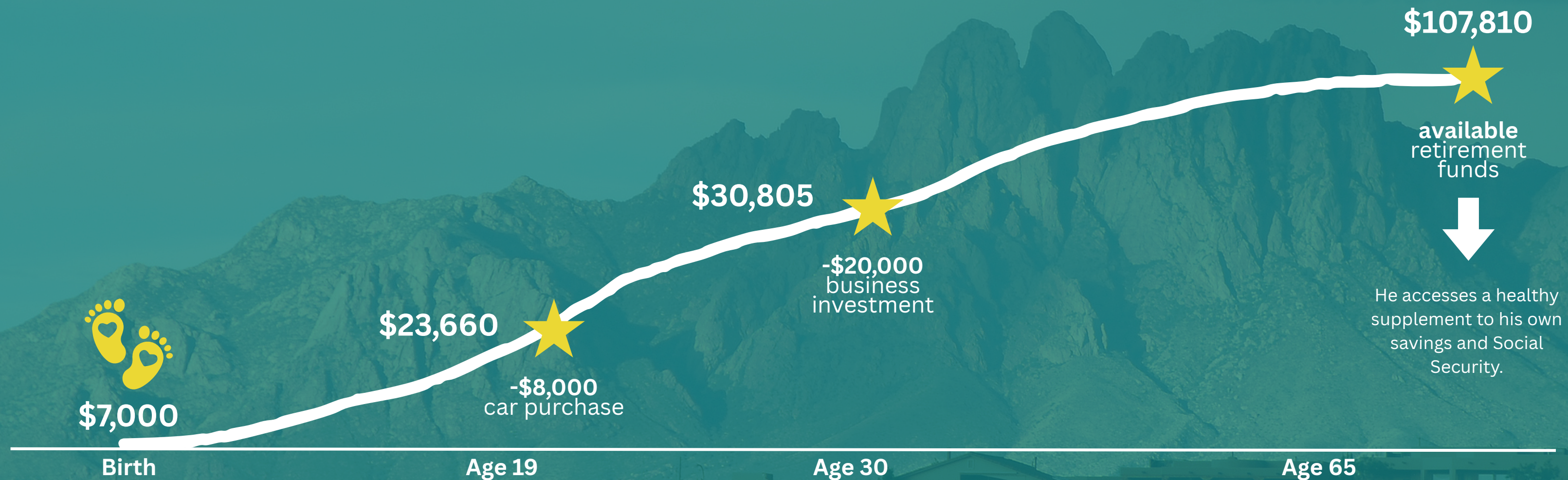
Like most self-employed individuals and small business owners in New Mexico, he does not have access to a work-place retirement savings vehicle. When he is 65, his remaining baby bond will have grown to \$107,810.

BABY BOND PATHWAY IN SOCORRO COUNTY



Transforming the Future

This young person is able to complete CTE training, build a business, and save for retirement.



BABY BOND PATHWAY IN RIO ARRIBA COUNTY



Consider an 18-year-old from a working class family living in Rio Arriba County who dreams of attending a four-year college and eventually becoming a nurse. However, achieving this dream would have been difficult given her family's working class income. Having a baby bond has already made a difference—research indicates that even small-dollar savings accounts with money designated for school result in low- and middle-income children being more likely to enroll in college.



In Rio Arriba, only 6 percent of adults have a degree beyond a bachelor's degree.

This young person is able to finish college debt free in six years through a combination of working, family support, and access to New Mexico's generous higher education supports. She wants to continue her education and achieve her goal of becoming a nurse. She decides to use her baby bond at age 23 to put herself through nursing school.



Only 7.5 percent of renters in Rio Arriba are able to afford the median home price.

Thanks to her baby bond, she was able to finish nursing school with only minimal student loan debt. At age 35, she is ready to buy her first home. Using her baby bond, this young person makes a down payment—which will reduce her monthly housing costs—on a house that she, her family, and her aging parents can live in.



Baby bonds can contribute to significant decreases in student loan debt, especially for women and people of color.

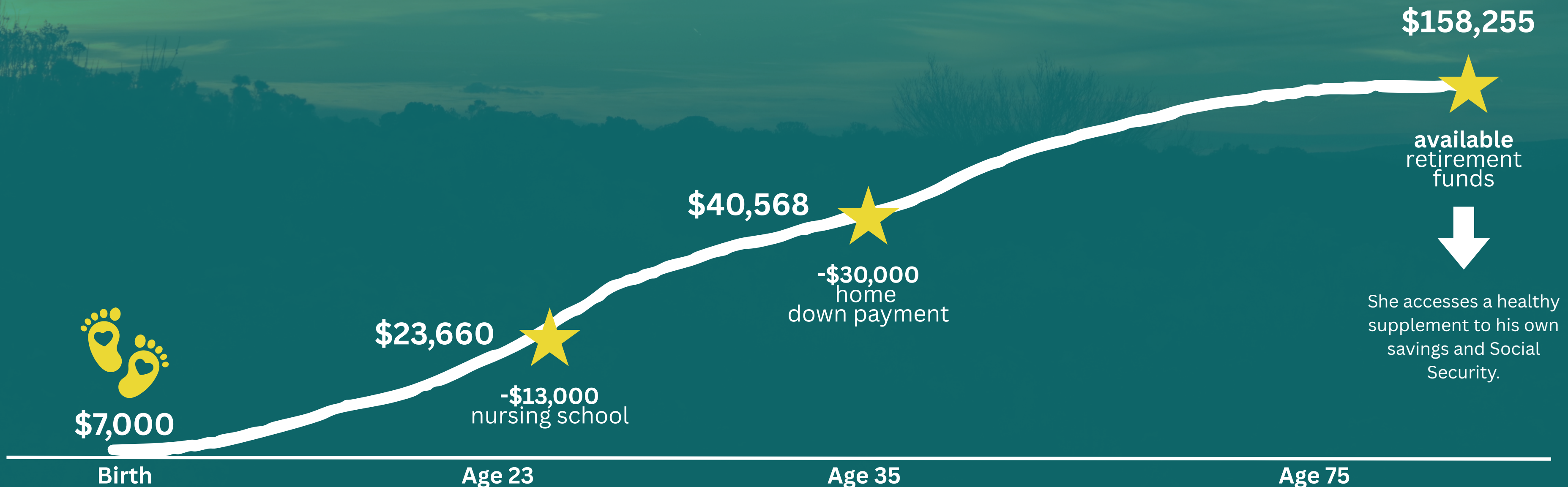
At age 75, the now retired nurse has \$158,255 remaining in her baby bond to supplement her retirement savings and Social Security.

BABY BOND PATHWAY IN RIO ARRIBA COUNTY



Transforming the Future

This young person is able to complete nursing school, buy a home, and save for retirement.



BABY BONDS: OUR VISION

Every child born in New Mexico after legislation is passed, will have \$7,000 in their name and tied to their social security number that will be invested on their behalf.



Prior to accessing the funds, recipients must complete a financial literacy course approved by the State Treasurer's Office.



After the age of 18, recipients can use the accumulated earnings from their Baby Bonds account towards education, home/car ownership, a business, or retirement.



WHAT'S BEEN DONE IN NEW MEXICO?

- SB 397: New Mexico Next Generation Act (2025)-**STO Supported Bill**
- HB 7: Children's Future Act & Fund (2025)
- House Appropriations and Finance Committee Substitute for House Bill 16: Children's Future Fund (2024)
- Baby Bonds Pilot-Partnership for Community Action) (2024)
- Baby Bonds Pilot- Northern College (2025)



NM STO LEGISLATION SENATE BILL 397-NEXT GENERATION TRUST FUND

In the 2025 Legislative Session, STO's Next Generation Act-Senate Bill 397 (SB397) bill to create a baby bonds program was not heard in committee.

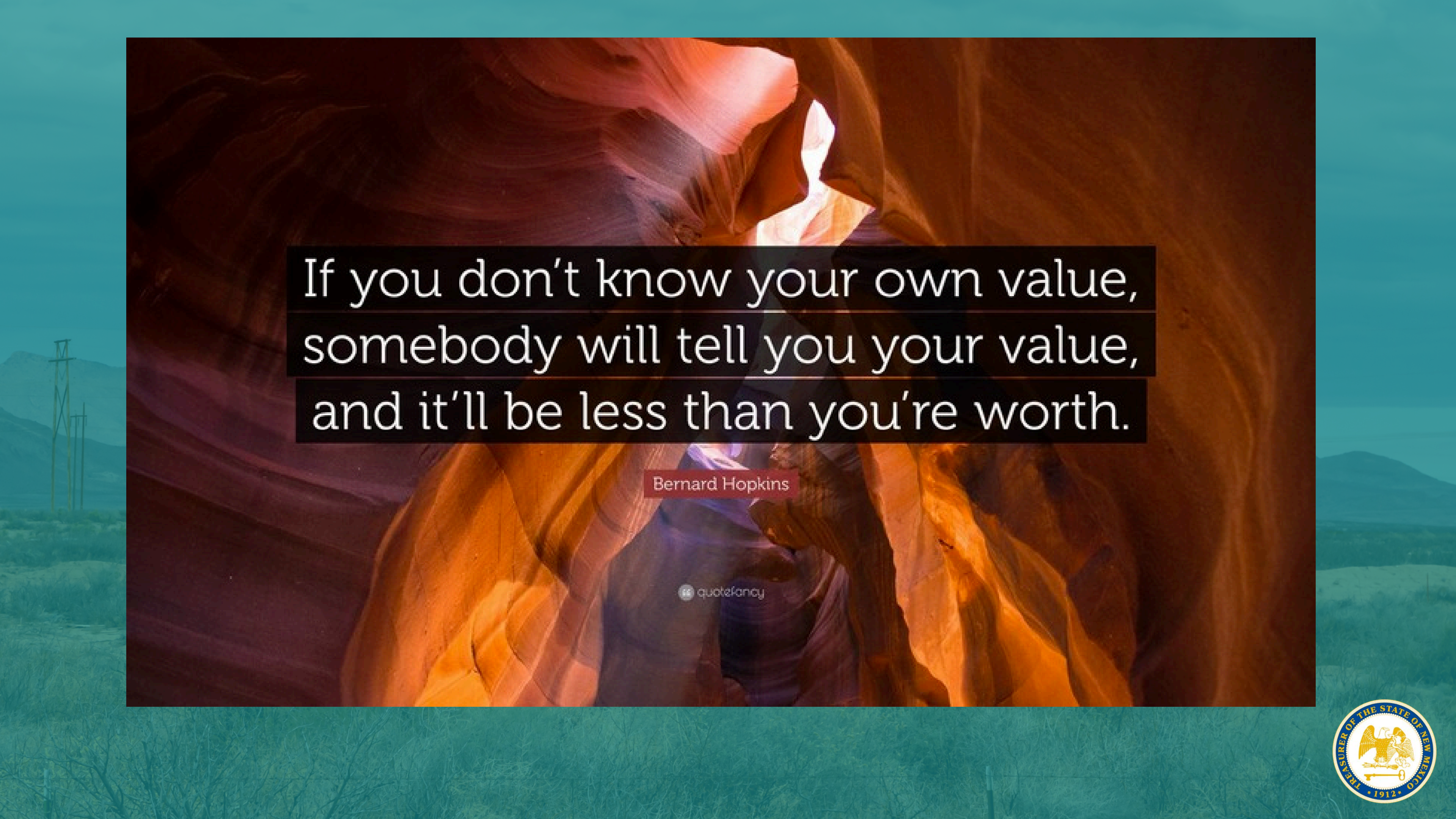
- Sponsored by Senator Maestas & Senator Jaramillo;
- Restricts eligibility to babies born to parents who have resided in the state for at least five consecutive years preceding the birth, and foster youth;
- \$7,000 seed contribution per child;
- Must be between the ages of 18 and 40 and have completed a financial literacy course approved by the State Treasurer;
- Could be used for:
 - Higher education or trade school
 - A down-payment on a home in New Mexico;
 - A down-payment on a reliable vehicle;
 - Capital to start a business; or
 - Retirement savings; and
- The bill requires the State Investment Officer and the State Treasurer to administer the fund.



WHAT'S IT GOING TO TAKE?

- Other stakeholders needed at the table
- Risks, Issues and Assumptions
- Recommendations
- Next Steps



The background of the slide is a photograph of the interior of Antelope Canyon, showing smooth, undulating sandstone walls in warm orange and red tones. Light filters through a narrow opening at the top, creating a dramatic play of light and shadow. The overall image has a teal overlay.

If you don't know your own value,
somebody will tell you your value,
and it'll be less than you're worth.

Bernard Hopkins

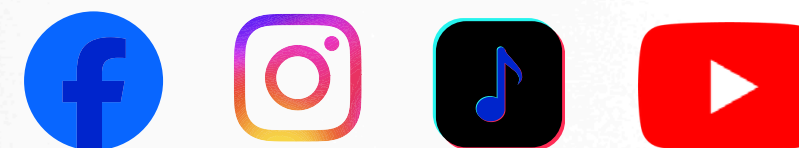
quoteagency





**OFFICE OF THE
NEW MEXICO STATE TREASURER**

Laura M. Montoya



**PO Box 5135
Santa Fe, New Mexico 87502-5135
(505) 955-1120**

nmsto.gov