



**Testimony for Montgomery County Council  
Bill 5-24 — Child Investment Fund**

**June 18, 2024**

**Position: SUPPORT**

FRANK PATINELLA  
SENIOR POLICY  
ADVOCATE

AMERICAN CIVIL  
LIBERTIES UNION  
OF MARYLAND

3600 CLIPPER MILL  
ROAD  
SUITE 350  
BALTIMORE, MD 21211  
T/410-889-8555  
F/410-366-7838

WWW.ACLU-MD.ORG

OFFICERS AND  
DIRECTORS  
COREY STOTTEMEYER  
PRESIDENT

DANA VICKERS  
SHELLEY  
EXECUTIVE DIRECTOR

ANDREW FREEMAN  
GENERAL COUNSEL

The ACLU of Maryland (ACLU) exists to empower Marylanders to exercise their rights so that the law values and uplifts their humanity. We are urging members of the Montgomery County Council to support bill 5-24 Child Investment Fund. This bill will provide significant opportunities and long-term benefits to young adults in the county — especially Black and Brown individuals most impacted by systemic inequality — seeking to pursue higher education degrees, job accreditation, gainful careers, and homeownership. If passed, Montgomery County would take a giant leap forward in the effort to close the socioeconomic and racial wealth gaps that exist throughout Montgomery County and ultimately, improve the overall economic stability and outlook of the county for many decades to come.

Bill 5-24 will establish the Child Investment Fund (CIF), which would receive allocations from the County in the amount of \$1,800 for each child born as a resident in the county beginning on January 1, 2024. The CIF is an interest-bearing account managed by the Department of Finance, with the guidance of the CIF advisory committee. The committee will be comprised of the Director of Finance or director's designee, the Director of Health and Human Services or director's designee, 11 members appointed by the County Executive — including those with lived experience of poverty, representatives from nonprofit organizations that serve communities experiencing poverty, and other members from various relevant fields and industries. The bill also intends to ensure that the committee's composition reflects the geographic, racial, cultural, and socioeconomic diversity of the county.

Upon turning 18, eligible individuals can apply to withdrawal funds to be used for:

- Vocational or academic educational expenses
- Ownership or investment in a business located in the County
- Ownership of real property in the County
- Retirement investments

With the guidance of the committee, the bill requires the County to develop additional eligibility requirements to determine the disbursement of the funds with the goal of reducing wealth inequity in the county. We believe that this provision is the most critical part of the CIF. We are urging the council and government officials to invest a lot of time in the development of these eligibility requirements to ensure that those who are most impacted by long-standing, generational systemic economic injustice receive equitable allocations of the available funds.

All poverty was not created equally and using a simple metric such as family income or the federal poverty rate alone is wholly insufficient to adequately address wealth equity in the county. It is critical that the county consider other socioeconomic and community factors that have been found to collectively compound the effects of poverty and the overall outcomes of young adults. These factors include the concentration of poverty in the community, percentage of single-parent households, crime rate, the rate of homeownership, average education attainment, and more<sup>i</sup>. These factors are particularly significant in majority Black and immigrant communities that have been historically impacted by discriminatory policies and practices that have create barriers to attaining quality education, housing, employment, and accumulating general wealth. Young adults who have experienced the most systemic challenges should receive a larger portion of the available funds.

Montgomery County is the most affluent county in Maryland with average household income of \$112,000 according to data published in 2022<sup>ii</sup>. However, Black and Latinx families experience poverty at more than twice the rate of white families and are more likely to have incomes under \$50,000 than above \$100,000. Black and Latinx individuals also lag far behind their white counterparts in educational attainment<sup>iii</sup>, a key indicator of future socioeconomic status. Further, Montgomery County's low-income population is growing faster than other income groups and its middle-income population is shrinking<sup>iv</sup>.

If passed and implemented equitably, the CIF can be one of the most impactful strategies to ensure financial stability for the county's most underserved residents for many decades to come.

For the foregoing reasons, the ACLU urges the council to pass Bill 5-24.

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<sup>i</sup> Rockefeller Foundation. (2013). Suburban Poverty in the United States. <https://www.rockefellerfoundation.org/wp-content/uploads/Suburban-Poverty-in-the-United-States.pdf>

<sup>ii</sup> 2022-2025 Community Needs Assessment. (2023). Montgomery County Community Action Agency. [https://www.montgomerycountymd.gov/HHS-Program/Resources/Files/CNA%20Report%202023\\_April%2027.pdf](https://www.montgomerycountymd.gov/HHS-Program/Resources/Files/CNA%20Report%202023_April%2027.pdf)

<sup>iii</sup> *id.*

<sup>iv</sup> *id.*