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February 20, 2026
The Honorable Scott Bessent
1500 Pennsylvania Avenue, NW
Washington, DC. 20220

Re: Notice of intent to issue regulations with respect to section 530A Trump accounts (Notice 2025-68)

Dear Secretary Bessent:

These comments are submitted by First Focus on Children, a bipartisan, nonprofit child advocacy organization dedicated to ensuring that children are a priority in federal policy and budget decisions. As advocates for children, we are committed to ensuring that all children have an equal chance to succeed, including access to well-designed, progressive asset-building tools and programs that complement, not replace, existing federal supports for children and their families. We appreciate the opportunity to comment on Notice 2025-68 related to regulations for Section 530A “Trump accounts” authorized under Public Law 119-21 (P.L. 119-21).

The renewed focus on savings tools like 530A “Trump accounts” signals an emerging understanding that assets — not just earnings — shape a family’s economic trajectory. Recognizing the importance of wealth is a good step forward. Wealth encompasses far more than a balance sheet; it provides stability, bargaining power, and more freedom to make choices about one’s future. As currently structured, 530A accounts may help some families save more, but unfortunately, the design is deeply flawed and regressive, primarily benefitting more affluent families rather than supporting millions of children lacking basic economic security. Since outcomes depend in part on existing family resources, those with more to contribute disproportionately see greater returns, while families starting with less experience smaller and slower gains and some children will be left behind completely. **Without significant design improvements to the 530 accounts program, deep-rooted disparities in economic security will persist and grow.**

The 530A accounts are not currently designed to reduce wealth disparities— disparities that are particularly stark between low-income families and middle- and higher-income households, and between children of color and their white peers.¹ The addition of ongoing, means-tested government contributions would help the program reduce disparities and support families without the means to save. This idea is not a new one, and over the years, states and local jurisdictions around the country have proposed and initiated baby bonds programs and children’s savings

¹ Urban Institute (2024). “Nine Charts on Wealth Inequality in America.” Retrieved February 19, 2026, from <https://apps.urban.org/features/wealth-inequality-charts/>

accounts.² **We strongly recommend that the administration takes action to include income-targeted, automatic contributions by the federal government to provide low-income children and those most in need a strong financial foundation for adulthood.**

All children deserve to live happy, fulfilling lives, and no child should be denied the chance for a bright future because of their family’s economic hardship. Alarming, we are failing our nation’s children in this regard. In September 2025, the U.S. Census Bureau reported that 13.4% of children (just under 10 million) in the United States lived in households with incomes below the poverty threshold in 2024 (\$31,812 for a family of four with two children).³ These numbers are relatively unchanged from the previous year, a disappointing lack of progress for America’s children. The outlook does not seem any brighter in the near-term, as new research from Columbia University finds that the changes to the Child Tax Credit in P.L. 119-21 will not meaningfully reduce child poverty.⁴

This is not a small problem — the number of kids experiencing poverty is greater than the population of 11 individual states. Millions of children lack access to sufficient food, stable housing, clean diapers, and other resources that they need to nurture their developing brains and bodies. The hardships brought by poverty not only have repercussions for the children impacted, but also for the nation as a whole.⁵

Fortunately, child poverty is a solvable problem if the right policy choices are made. In 2024, the refundable portion of the Child Tax Credit (CTC) prevented 1.5 million children from experiencing poverty in the United States. This is a significant, but much smaller impact than if the improvements made in the American Rescue Plan Act (ARPA) had still been in place. Columbia University’s Center on Poverty and Social Policy found that if the American Family Act, which contains many of the same improvements previously enacted under ARPA, had been in place in 2024, an additional 3.3 million children would have been spared from poverty.⁶

With the experience from the CTC, we know that policy design matters – asset-building programs are no exception -- especially given the well-documented challenges facing children born into poverty. Children born into poverty in the United States face a higher risk of remaining in poverty

² Institute on Race, Power and Political Economy. (n.d.). “Baby Bonds around the U.S.” Retrieved February 19, 2026, from <https://racepowerpolicy.org/baby-bonds/baby-bonds-around-the-us/>

³ Shrider, E. A. (2024). “Poverty in the United States: 2023.” (Current Population Reports P60-283). U.S. Census Bureau. <https://www.census.gov/library/publications/2024/demo/p60-283.html>

⁴ Yera, C., Collyer, S., Curran, M., & Harris, D. (2025). “What Could 2024 Child Poverty Rates Have Looked Like Had An Expanded Child Tax Credit Still Been In Place? An Analysis of the American Family Act and “One Big Beautiful Bill Act” Child Tax Credits.” (Poverty and Social Policy Brief No. 9(17)). Center on Poverty and Social Policy, Columbia University. <https://povertycenter.columbia.edu/what-could-2024-child-poverty-rates-have-looked-like>

⁵ Bolt, C. (2025, September 29). “Issue Brief: U.S. Child Poverty in 2024.” First Focus on Children. <https://firstfocus.org/resource/issue-brief-u-s-child-poverty-in-2024/>

⁶ Yera, C., Collyer, S., Curran, M., & Harris, D. (2025). “What Could 2024 Child Poverty Rates Have Looked Like Had An Expanded Child Tax Credit Still Been In Place? An Analysis of the American Family Act and “One Big Beautiful Bill Act” Child Tax Credits.” (Poverty and Social Policy Brief No. 9(17)). Center on Poverty and Social Policy, Columbia University. <https://povertycenter.columbia.edu/what-could-2024-child-poverty-rates-have-looked-like>

as adults compared to their peers in other developed nations,⁷ with research showing a correlation between childhood poverty duration and adult financial status.⁸ This limited intergenerational mobility reflects systemic barriers, including unequal access to quality education, healthcare, and economic opportunities.⁹ Wealth disparities are stark: on average, young white Americans (ages 18-25) hold nearly 16 times the wealth of young Black Americans.¹⁰ These inequities extend beyond income to unequal access to assets and savings, underscoring the need for progressive policies that help families build even modest financial cushions capable of changing children’s long-term economic outlook.

Studies have shown that even a small amount of savings can have a positive effect on a child’s social-emotional development and improve a family’s outlook for a child’s future.¹¹ Indeed, 71% of children from high-savings, low-income families rise out of the lowest income quartile over their lives, compared with just 50% of children from low-income, low-saving families.¹² Savings not only lift children and families out of poverty but also promote economic security, helping to break the cycle of generational poverty. Children in low- and moderate-income families with just \$500 or less saved for college are three times more likely to enroll in college and four times more likely to graduate than children without any savings.¹³

Again, as currently structured, the P.L. 119-21 savings accounts are regressive, primarily benefiting higher-income households and reinforcing racial, gender, and economic inequities rather than addressing children’s unequal starting points.

By contrast, a national “baby bonds” program, as proposed by Rep. Ayanna Pressley (D-MA) and Sen. Cory Booker (D-NJ) in the American Opportunity Accounts Act (H.R. 1041/S. 441) last Congress, offers a savings account design that would help to address the racial wealth gap. This legislation would authorize federally funded and managed savings accounts (American Opportunity Accounts) for children under the age of 18. The government would automatically deposit \$1,000 for

⁷ Redd, Z., Thomson, D., & Moore, K. A. (2024). “Poverty Matters for Children’s Well-being, But Good Policy Can Help.” (Research Brief). Child Trends. <https://www.childtrends.org/publications/poverty-matters-childrens-well-being-policy>

⁸ Wall Street Journal. (2017, March 23). “Fed Survey Shows Link Between Childhood Poverty, Adult *Economic Challenges*.” <https://www.wsj.com/articles/fed-survey-shows-link-between-childhood-poverty-adult-economic-challenges-1490273115>

⁹ Office of Disease Prevention and Health Promotion, U.S. Department of Health and Human Services, “Healthy People 2030: Social Determinants of Health Literature Summaries — Poverty (2023).”

<https://odphp.health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/poverty>

¹⁰ Zewde, Naomi (2019), “Universal Baby Bonds Reduce Black-White Wealth Inequality and Progressively Raise Net Worth of All Young Adults.” Review of Black Political Economy, 47(1), November 26.

<https://doi.org/10.1177/0034644619885321>

¹¹ Huang, Jin, Michael Sherraden, Youngmi Kim, and Margaret Clancy (2014). “Effects of Child Development Accounts on Early Social-Emotional Development: An Experimental Test.” JAMA Pediatrics, 168(3), 265–271, <https://doi.org/10.1001/jamapediatrics.2013.4643>

¹² Cramer, Reid, Rourke O’Brien, Daniel Cooper, and Maria Luengo-Prado (2009). “A Penny Saved Is Mobility Earned: Advancing Economic Mobility Through Savings.” Pew Charitable Trusts.

https://www.pewtrusts.org/~media/legacy/uploadedfiles/pcs_assets/2009/empsavingsreportpdf.pdf

¹³ University of Kansas School of Social Welfare, Assets and Education Initiative (2013). “Building Expectations, Delivering Results: Asset-Based Financial Aid and the Future of Higher Education.” Biannual Report on the Assets and Education Field, ed. W. Elliott, Lawrence, KS: Assets and Education Initiative.

<https://aedi.ssw.umich.edu/sites/default/files/publications/publication-csa-exec-sum-executive-summary.pdf>

each child born (annually adjusted for inflation), and funds would grow over time as the account earns interest until age 18. Each year, a child could receive up to an additional \$2,000 deposit from the government. Children from lower-resourced households would be eligible for higher amounts. A young person could access the funds at 18 for allowable uses such as educational expenses, purchasing a home, or other targeted wealth-building assets that break down the structural barriers in our society that many Black, Hispanic, and other communities of color face in accumulating wealth and achieving economic mobility.

All children — regardless of race, income, family structure, immigration status, or living situation — deserve the opportunity to build assets and financial security from birth. Public policy should affirm that every child has inherent value and equal claim to the nation’s prosperity. Asset-building initiatives can be powerful tools to expand opportunity, promote long-term economic mobility, and strengthen communities. To fulfill that promise, however, programs must be designed inclusively and equitably, ensuring that children are not excluded because of administrative barriers, unstable caregiving arrangements, or the economic circumstances of their families. There is overwhelming evidence that investing in children is investing in the strength, stability, and economic vitality of our country, and public policy must reflect that shared responsibility.¹⁴

AUTOMATIC ENROLLMENT FOR ALL CHILDREN

The 530A savings accounts provide a one-time \$1,000 seed deposit for babies who are born in the years 2025 through 2028, have a social security number, and whose parents or legal guardian complete the necessary enrollment process. Some parents already may be electing to have a Trump account established for their children by using IRS Form 4547, Trump Account Election(s), or through an online tool or application at *trumpaccounts.gov*. We appreciate these options to help simplify the process to create a 530A account, but we are very concerned that some children will be left out of the savings accounts program because there is no authorized individual to make the election on their behalf. In addition, not all parents and caregivers will need to file taxes this season and could miss this opportunity to sign-up their children for a 530A savings account.¹⁵ Rather, access to an account should be provided automatically to every eligible child including Native American children, children residing in U.S. territories, and children in immigrant families so that all children have an equal opportunity to participate and benefit. **We urge the Department of Treasury to consider an approach that automatically establishes an account for every eligible child. We further urge the Department to guarantee that a deposit of \$1,000 is made into all accounts eligible for the pilot program and direct the seed funding to be invested in an eligible fund.**

As structured, the accounts can grow meaningfully only if families — or potentially employers, philanthropic organizations, or government entities — have the financial capacity to make consistent contributions. Families already struggling financially are much less able to make consistent contributions—especially amid cuts to health care and nutrition assistance under P.L. 119-21 and the continued rise in the cost of basic necessities. In contrast, higher-income families

¹⁴ National Academies of Sciences, Engineering, and Medicine. (2019). “A Roadmap to Reducing Child Poverty.” Washington, DC: The National Academies Press. <https://www.nationalacademies.org/read/25246/chapter/1#xvi>

¹⁵ Brown, Madeline and Damir Cosic. (2026). “[Automatic Enrollment, Not Opt-In, Is the Only Way to Guarantee That Trump Accounts Don’t Leave Behind Children from Low-Income Families](#).” Urban Wire.

can maximize annual contributions and use the accounts as another tax-advantaged savings vehicle, compounding benefits over time.

Because children from low-income and historically marginalized communities begin life with significantly fewer assets and less intergenerational wealth, a flat, one-time deposit without progressive contributions risks reinforcing—rather than narrowing—existing financial gaps.

Therefore, we encourage the adoption of targeted funding practices that would direct greater resources to children with the least wealth and income.

FOCUS ON CHILDREN IN COMPLEX LIVING SITUATIONS:

We strongly encourage the Department to focus attention on guidance for children in complex living situations—including children in foster care, youth experiencing homelessness, children and youth who have experienced the death of a parent or legal guardian, and other young people where a parent or guardian is unavailable or unauthorized to serve as the responsible party for the beneficiary. We are very concerned that too many children face difficult barriers to participate in the savings account program. **While we strongly urge the Department to prioritize automatic enrollment for all eligible children, we underscore the need for Treasury to coordinate with appropriate government agencies to ensure enrollment for youth experiencing complex living circumstances.**

Without automatic enrollment for children eligible for the savings program, you may need to consider a form of “look-back” for those children who may not be in parental care. Nearly 20 percent of children who entered foster care in FY 2024 were under the age of one, and another 28 percent were ages 1-5 – a significant portion of children who enter foster care will be eligible for the pilot program.¹⁶ These children may eventually be reunified with their parent, adopted or placed in a guardianship with a consistent, permanent caregiver. **The Department should consider mechanisms, in partnership with the Administration for Children and Families, for alerting these caregivers upon achieving permanency of whether or not an account already exists for the child and make clear that they can retroactively apply for the initial \$1000 deposit if no account has been created in their name.**

In addition, since these accounts will fall under the oversight/control of the child or youth’s caretaker, some eligible children, particularly foster youth, will not have a stable or continuous adult who can reasonably assume the role of authorized responsible party. Custody and guardianship may change frequently, parental rights may be terminated, or no individual may have the legal authority or capacity to open and manage a Trump account on the youth’s behalf. Absent clear exceptions, these youth are at serious risk of being excluded from participation altogether, undermining the purpose of the program and exacerbating existing inequities.

The U.S. foster care population is large and diverse, with *The Adoption and Foster Care Analysis and Reporting System* (AFCARS) estimating about 328,947 children in care in fiscal year 2024. Understanding the size and age distribution of this population underscores the scale of the challenge

¹⁶ Administration for Children and Families. (2025). “Data and statistics: Adoption and Foster Care Analysis and Reporting System (AFCARS).” U.S. Department of Health and Human Services. <https://acf.gov/cb/research-data-technology/statistics-research/afcars>

in ensuring program accessibility for all eligible children. Most striking in the demographics are the racial and ethnic disparities in who is represented in the system. *The Christian Alliance for Orphans* notes that children of color have historically been disproportionately represented in foster care compared with their numbers in the general child population. Black and Native American children, in particular, enter and remain in care at higher rates — in some studies Black children are placed into care at significantly greater rates than their white peers, and Native American children are overrepresented in nearly every state.¹⁷ These disparities highlight the importance of carefully designed policies to ensure equitable access to financial programs for all children, particularly those historically marginalized.

Transition-age foster youth — those who leave the foster care system because they have “aged out” without being reunited with family, adopted, or placed with a permanent guardian — often face profound challenges not as a result of their own choices or shortcomings, but because the system has failed to provide them the stability and support that most young adults take for granted. Each year in the United States, more than 15,000 youth exit foster care into adulthood without the family safety net that supports most young people, and this abrupt transition often leaves them at markedly higher risk of homelessness, unemployment, behavioral and health challenges, and educational disruption compared with their peers. These outcomes are rooted in systemic gaps — such as frequent placement changes, limited access to supportive services, and lack of stable adult relationships — placing youth at a disadvantage through no fault of their own and underscoring the need for policies that extend supportive care and build pathways to economic and social stability.¹⁸ The experiences of transition-age youth illustrate how instability at earlier stages of life can have lasting consequences, reinforcing the need for protective measures from birth through young adulthood.

Young children and babies experiencing homelessness face unique and profound developmental risks, as unstable housing is closely linked with health, emotional, and cognitive challenges during critical early years.¹⁹ Infants and toddlers—whose brains and social-emotional capacities are rapidly developing—are particularly vulnerable when their families lack safe, stable housing.²⁰ Yet, traditional housing and social service systems have historically treated homelessness as an adult issue, often overlooking the specific needs of very young children and their caregivers. This invisibility means that many infants and toddlers are excluded from supports that could mitigate the harmful effects of homelessness on early relationships, learning, and long-term development, stressing the need for policies and practices that recognize homelessness as a child-centered issue requiring coordinated responses across health, housing, and early childhood systems.²¹ Moreover,

¹⁷ Child and Family Outcomes (CAFO). (2025, November 5). “U.S. Foster Care Statistics 2025.” CAFO. Retrieved from <https://cafo.org/foster-care-statistics/#children-in-foster-care>

¹⁸ Annie E. Casey Foundation. “What Happens to Youth Aging Out of Foster Care?” (blog, Feb. 25, 2025; updated Nov. 9, 2025). <https://www.aecf.org/blog/what-happens-to-youth-aging-out-of-foster-care>

¹⁹ Burt, L. (2024, January 30). “How Does Homelessness Impact Child Health and Developmental Outcomes?” National League of Cities. <https://www.nlc.org/article/2024/01/30/how-does-homelessness-impact-child-health-and-developmental-outcomes/>

²⁰ SchoolHouse Connection. (2024). “Infant and Toddler Homelessness Across 50 States: 2021-2022.” <https://nvaicmh.org/wp-content/uploads/2024/08/Infant-and-Toddler-Homelessness-Across-50-States-2021-2022.pdf>

²¹ Whitney, G., & Basloe, M. (2019). “An Introduction to Young Children and Families Experiencing Homelessness.” *ZERO TO THREE Journal*, 39(4). <https://www.zerotothree.org/resources/zero-to-three-journal/young-children-and-families-experiencing-homelessness/>

the instability, documentation challenges, limited internet access, and frequent moves associated with homelessness can make it significantly more difficult for parents to receive notices, complete enrollment steps, or meet administrative requirements necessary to open and maintain new “Trump accounts” for their children, further risking exclusion from programs intended to promote long-term financial security.

The compounded risks faced by children in foster care and those experiencing homelessness illustrate why federal savings programs must account for diverse and complex circumstances from the outset.

Given these heightened challenges far too many children endure, it is critical that federal savings programs, such as 530A accounts, are structured to support children facing barriers beyond their control. **We urge the Department to clarify that, in such circumstances, a state or federal governmental entity—such as the state treasury, a court-appointed representative, or another designated public fiduciary—may serve as the authorized responsible party for establishing and administering a 530A account on behalf of the eligible beneficiary.** This approach would align with existing benefit and asset-building programs that recognize the legal and practical realities many children face, ensuring that those in complex living arrangements can access resources meant to support long-term security and opportunity. Establishing clear rules for governmental responsible parties ensures these accounts fulfill their purpose even when traditional parental oversight is unavailable.

In addition, guidance should clearly allow for streamlined transitions of responsible party status as a youth’s circumstances change, including aging out of foster care, reunification, adoption, or appointment of a new guardian. Such guidance should prioritize continuity of the account, minimize administrative barriers, and ensure that the account remains accessible and beneficial to the eligible beneficiary over time. Without such provisions, children risk disruption of critical financial resources at precisely the moments when stability is most needed. There needs to be guidance regarding how a young person who is without a parent at age 18 will be notified whether there is an account that exists in their name and how they can access the funds. Additionally, the Department should consider that some states and/or counties may choose to use state funds to make contributions to the accounts, and therefore should offer guidance to states and local agencies clarifying that they can deposit funds into these accounts, similar to past practices that allowed states to provide and support individual accounts (IDA) funded with federal and state funds in some cases.

Providing these clarifications is essential to ensuring that youth who are most likely to benefit from early asset-building—particularly those facing instability, trauma, or the loss of parental support—are not inadvertently excluded due to circumstances beyond their control. Explicit exceptions and clear rules for governmental responsible parties would promote equity and administrative clarity. Ultimately, these measures are necessary to ensure that the promise of early savings programs reaches all eligible children, particularly those facing the greatest barriers to long-term security and opportunity.

OUTREACH & SIMPLIFIED ENROLLMENT ARE ESSENTIAL FOR ACCESS

Absent automatic enrollment, many eligible children—particularly those from low-income families—are likely to be left out. Children growing up in households with limited income are significantly more likely to experience poverty as adults, and they also are less likely to be claimed on a tax return, making enrollment through tax filing an unreliable mechanism for reaching them. **If the Department of Treasury does not automatically establish accounts, it must implement a robust, data-driven outreach strategy designed specifically to reach children who face the greatest barriers to participation.**

Under the Pilot Program, the \$1,000 seed deposit for children born between January 1, 2025 and December 31, 2028 represents the core benefit of this program. Ensuring that every eligible child receives it should be the Department’s primary objective. To achieve this goal, Treasury should leverage existing federal data and resources to proactively identify and reach eligible children. Following all appropriate and relevant rules and regulations, Treasury should use existing federal data—including Enumeration at Birth records, Form 1040 filings, and other relevant tax and health insurance data—to proactively notify families of eligibility and the benefits of enrolling.

Effective outreach must rely on trusted messengers and community-based partners. Research demonstrates that participation increases when information is delivered through trusted intermediaries such as health care providers, schools, and community organizations.²² Materials should be clear, culturally competent, and available in multiple languages. Targeted engagement strategies are particularly important for immigrant families who face unique administrative and legal concerns that can hinder enrollment. Communication must be frequent, sustained beyond a single tax season, and coordinated across agencies—including the Social Security Administration, the Department of Education, the Department of Veterans Affairs, the Department of Health and Human Services, and others—to ensure broad reach.

Enrollment must also be as simple as possible. While simplified enrollment is not a substitute for automatic enrollment, a streamlined filing platform that collects only the minimum information necessary can significantly expand access, particularly for families who do not otherwise file tax returns. Simplicity in enrollment reduces barriers and complements outreach efforts by making participation achievable for all eligible families. Any simplified enrollment tool must remain separate from the formal tax filing system to avoid unintended consequences that could prevent families from accessing other tax benefits.

Treasury should facilitate continued participation by allowing families to contribute easily to established accounts. Form 8888, used to directly deposit a refund (or part of it) to one or more accounts at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States, could be modified to permit refund splitting directly into Trump Accounts. By making contributions simple, the program can foster long-term engagement.

²² Choi, K. (2026). “Pilot of health Care Workers Promoting Tax Filing and Receipt of Tax Credits for Low Income Families.” *The Journal for Nurse Practitioners*. Advance online publication. [https://www.npjjournal.org/article/S1555-4155\(25\)00286-7/fulltext](https://www.npjjournal.org/article/S1555-4155(25)00286-7/fulltext)

Under the statute, only the child is required to have a Social Security number (SSN). Including a parental Social Security number field on Form 4547 is therefore inconsistent with the law and risks discouraging participation among otherwise eligible families. Ensuring that only necessary information is requested is critical to maintaining trust and broad participation, particularly among immigrant and mixed-status households. A substantial body of research demonstrates that immigrant and mixed-status families are less likely to enroll in programs when agencies request personal information beyond what is strictly necessary—even when their children are fully eligible to receive benefits.²³

Retaining or requiring a parental SSN on Form 4547 would undermine the broad and equitable participation in the program. **To safeguard inclusion and maximize the program’s impact, the Department of the Treasury should remove the parental SSN field from Form 4547 or, at minimum, clearly state that it is not required for account establishment and will not affect a child’s eligibility.**

Without automatic enrollment, it is imperative that the Department implements robust, data-driven outreach, along with simplified processes and careful attention to required information, to ensure that the “Trump accounts” program provides financial support to every eligible child, especially those most at risk of being left behind.

QUALIFIED GENERAL CONTRIBUTIONS:

Geographic targeting will be essential to ensuring that “Trump accounts” reach children in communities facing the greatest barriers to long-term financial security. To achieve this, anchoring geographic designations in transparent, data-driven measures—such as local poverty rates, median income levels, and school-level equity indicators—can help direct early investments to areas where wealth gaps and inclusion disparities are most pronounced, and where seed contributions are likely to generate the greatest long-term impact. **We urge you to commit to annual updates using the most recent American Community Survey (ACS) and Internal Revenue Service Statistics of Income (SOI) data to ensure designations remain current and responsive to changing economic conditions. In addition, we also recommend dedicated outreach funding for trusted community-based partners in high-priority areas and requiring trustees to report account activation and deposit rates by ZIP code and where feasible by demographic characteristics to help monitor geographic reach and equity outcomes.**

Monitoring who enrolls in accounts—and who may be underrepresented—will be critical to informing ongoing outreach, education strategies and ultimately incredibly significant policy improvements. Disaggregated participation data can also guide philanthropic organizations in identifying gaps and directing resources to ensure the communities they support are able to benefit. In addition, transparent reporting can help engage state and local governments and other sub-federal partners in promoting participation and strengthening the program’s reach.

By defining qualified geographic areas through clear, publicly available criteria and linking those designations to outreach and accountability measures, Treasury can help ensure that “Trump

²³ Artiga, S., Pillai, D., Cervantes, S., Pillai, A., & Rae, M. (2025, December 2). [“Potential “Chilling Effects” of Public Charge and Other Immigration Policies on Medicaid and CHIP Enrollment.”](#) KFF.

accounts” effectively reach eligible children in communities with the greatest barriers to economic mobility.

DISTRIBUTIONS:

We recommend that the Department establishes a process to permit limited hardship distributions during the growth period, particularly for children facing acute economic instability or crisis circumstances. As currently drafted, the prohibition on hardship withdrawals during the growth period may unintentionally disadvantage children who experience events such as homelessness, disability, serious illness, the death of a caregiver, involvement in foster care, or other significant financial disruptions. For many low-income families, especially those with no emergency savings or credit, the inability to access even a portion of accumulated funds in times of genuine hardship undermines the program’s stated goal of promoting long-term economic security. Allowing narrowly tailored, well-defined hardship distributions—with appropriate safeguards to preserve long-term asset building—would ensure that the program is responsive to the real-world needs of children most at risk, rather than functioning primarily as a long-term savings vehicle for families who already possess financial stability.

CONCLUSION:

In closing, we urge the Department to ensure that section 530A “Trump accounts” are structured to reach the children who stand to benefit the most — particularly those from low-income families, children of color, youth in foster care, children experiencing homelessness, children living in immigrant households, and others facing economic or caregiving instability. Without automatic enrollment, progressive contributions, and clear rules for youth in complex living situations, the program risks reinforcing existing racial and economic wealth disparities rather than reducing them. It is important for the Department to prioritize automatic and simplified enrollment, targeted investment driven by robust data collection, dedicated outreach funding, flexibility for hardship distributions, and inclusive eligibility policies as it carries out this program. The success of this initiative should be judged not simply by how many accounts are opened, but by whether it measurably strengthens economic security and expands future opportunity for the children who stand to benefit the most.

Thank you for considering these comments, and you can email me at Michelled@firstfocus.org with any questions.

Sincerely,

Michelle Dallafior
Senior Vice President