WASHINGTON — Aaliyah Manning’s dreams of becoming a psychologist ended abruptly during her freshman year at Potomac State in West Virginia when the cost of continuing her education became overwhelming.

“The money just wasn’t there,” she said. “I knew I wasn’t going to finish so I just had fun.”

After a year, Manning, 25, was back in the nation’s capital working fast food jobs. Now she lives largely on public assistance in a two-bedroom apartment with her boyfriend, his mother and his 9-year-old daughter from another relationship. She still has student debt and there’s a baby boy on the way.

She sees a brighter future for that baby, thanks to a landmark social program being pioneered in Washington. Called “Baby Bonds,” the program will provide children of the city’s poorest families with up to $25,000 when they reach adulthood. The money is to be used for a handful of purposes, including education.

“It would be such a different opportunity for him, a lot different than what I had,” Manning said of her soon-to-arrive baby.

In just over a decade, the Baby Bonds idea has moved from a fringe leftist concept to actual policy, with the District of Columbia as the first laboratory. Lawmakers from coast to coast are monitoring the experiment, one that proponents say could reshape America’s growing wealth gap in a single generation if instituted on a federal level.

One week after giving birth to her second child, a daughter named Kali, Aaliyah Wright told The Associated Press that she did not anticipate having much savings to help her children when they reached adulthood, especially with about $80,000 in student loan debt.

She and her husband, Kainan, are on Medicaid despite steady jobs (she’s a case worker at a nongovernmental organization and he’s a barber) and an estimated annual income of about $70,000.

Even at that income level, their new daughter still would qualify for the city’s Baby Bonds program, although at a lower level.

"At that stage of maturity and adulthood, that money can be a door opener to some pretty big things,” Kainan Wright said

Despite the name, the bonds are more accurately trust funds, designed to provide a boost of capital at a critical time in the lives of the country’s poorest children. At age 18, each enrolled child would receive a large lump sum payment that can be used to pay for higher education, invest in a business or make a down payment on a home.

“Think about all the things that people with money do to support themselves or what parents do for kids,” said Kenyan McDuffie, a District of Columbia Council member who pushed through Washington’s Baby Bonds program last summer. The clock started ticking in October and as of mid-August the city has so far identified 833 babies born since then who will receive up to $25,000 when they turn 18.

“Think about all those young folks who are going to be here in a city trapped in poverty, graduated from high schools turning 18,” McDuffie said. “And then having an account with money in it for them.”

It’s an expensive and long-simmering investment that by definition will take a generation of sustained political willpower to truly bear fruit. The district’s program will cost $32 million for the first four years alone.

The idea was originally proposed in 2010 by academics William Darity and Darrick Hamilton as a way to break the poverty cycle by giving children of poor families a chance to build long-term equity — either actual property, a stake in a business or the earning potential that comes from higher education.

It came to mainstream attention when Sen. Cory Booker, D-N.J., made it a centerpiece of his 2020 presidential campaign.

“I think it’s an idea that’s growing,” Booker told the AP. "And it’s a big idea. It's on the level of Social Security. It's on the level of Medicare. One generation would create a dramatic change.”

But for politicians, the price tag can be daunting. Booker’s national plan envisioned annual costs of $60 billion, something he proposes financing by raising taxes on the wealthy.

For now, the Washington experiment will be closely watched by other state and local governments, with Baby Bonds proposals recently emerging in Wisconsin and Washington state and Massachusetts studying the issue. California just created a more targeted version, with Baby Bonds funds specifically for children who lost parents to COVID-19.
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For a Baby Bonds program to succeed, it has to be on a national level and have strong popular support, advocates said.

Zewde's analysis suggested that a nationwide federal Baby Bonds program would massively reduce the racial wealth gap between white and Black Americans in a

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“A lot of these kids are still going to be stuck in bad schools,” she said.

Michael Strain, an economist at the conservative American Enterprise Institute, says Baby Bonds advocates will struggle to persuade lawmakers around the country to make such an expensive commitment. “I absolutely think it’s a hard sell,” he said. “The 18-year lag is less of a political obstacle than the price tag.”

Wooden rejected the perception of Baby Bonds as having no payoff for 18 years, saying the benefits will be immediate and measurable. That nest egg, he said, will inspire real-time changes in planning, academic achievement and overall ambition in both children and families.

“There is a high value that should be placed on hope,” he said. “We know what hopelessness looks like in our communities.

Manning, the young expectant mother in Washington, said the knowledge that the money was waiting for her son would change how her family talks about his future.

“It would be much more focused,” she said. “Do you know what you want to do? What are your plans?”

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