



## OVERVIEW

Project Bank Account (PBA) is a subgroup of the New England Youth Coalition (NEYC) and comprised of youth advocates, adult supporters and NEYC support staff. The goal of PBA is for all youth in care age 13+ to have access to a bank account without a co-owner before they leave custody. PBA began in the Summer of 2019 after NEYC youth advocates put forward the idea to improve access to bank accounts for youth in foster care across New England.

Project Bank Account has done ample work to advance their goal including:

- Presenting the issue at the 2020 NEYC Summer Youth Regional Conference and to the Child Welfare Commissioners and Directors from all six New England States
- Distributing a survey to current and former foster youth across New England to investigate the scope of the issue. More than 100 current and former foster youth completed the survey to share their experiences opening a bank account.
- The results of the survey were shared with all six of the Child Welfare Commissioners and Directors from across the New England states in the 2021 NEYC Winter Conference
- Inspiring Vannessa Dorantes, Commissioner of Connecticut Department of Children and Families to meet with the CT Banking Commissioner to address the issue
- Meeting with youth-led groups in Florida, Oregon and California working to address this issue in their states to brainstorm new solutions for New England
- Distributing a second survey to current and former foster youth and adult allies to collect opinions from stakeholders on what should be included in a new banking policy
- Inspiring the Vermont Family Services Division Leadership team to further investigate the issue of bank accounts

## FIRST BANKING SURVEY RESULTS: THE SCOPE OF THE ISSUE

The target participants of this survey were current and former foster youth from across New England. The survey was distributed via the youth advisory boards in each of the six New England states. PBA collected 113 responses to the survey, with individuals from each of the six New England states participating. 72.6% of the respondents were in care at the time of completing the survey. As seen in Figure 1, 61.1% of the respondents were able to open a bank account prior to leaving care. Importantly, PBA found that despite the majority of respondents being able to open a bank account, their additional comments indicated that there was no clear process in place for youth in care to be able to access a bank account. Many respondents indicated that they struggled to obtain the essential documents, that their social workers signed on to co-own the account with them, or felt they were lucky to have foster parents who helped them. Overall, PBA determined the scope of this issue was widespread enough to warrant the project to continue.

Were you able to obtain a bank account while in foster care and/or 'out of home care' between the ages of 13-18?

113 responses

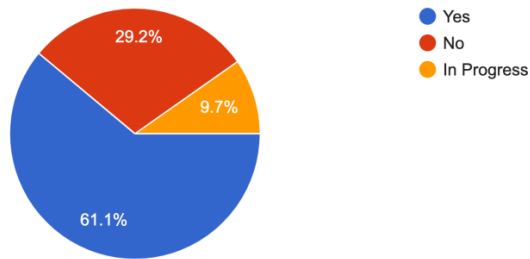


Figure 1.

## MEETINGS WITH YOUTH-LED GROUPS IN OTHER STATES

After Project Bank Account determined that the issue of bank account access was affecting youth from all six New England states, they began to research if other states had noticed this issue. Google search results for keywords such as: “foster care and bank accounts” “bank account access for youth in care” and “opening a bank account foster youth” indicated that four other states (Florida, Oregon, California, Hawaii) had policy related to this issue.

### Florida

The National Research Center for Youth Development published a [report](#) in 2014 indicating that while states often do not have a mechanism for co-signing for youth under 18, a recent Florida law allowed for youth in care to open a bank account at the age of 16 if they completed a financial literacy course. To investigate further, PBA reached out to Florida Youth Shine, a youth advocacy organization, to inquire how this process worked. PBA found that for youth to open a bank account in FL, they could obtain a court order removing the disability of non-age, which essentially allows the youth to be emancipated for the purpose of opening the account. Florida Youth Shine indicated they felt that this solution was working, as the issue had come up far less in the last few years. The group also confirmed that youth must complete a financial management course in order to engage in this process. They had a favorite course online that they encouraged most youth to take offered by the Florida Department of Financial Services, but they noted that nearly all banks had a similar course and youth could take those if they preferred.

### Oregon

[Oregon Law 418.708](#) indicates that “The Legislative Assembly finds that a child who is 12 years of age or older and who is in the custody of the Department of Human Services should be entitled to assistance from the department to establish a savings account at a financial



institution as defined in [ORS 706.008 \(Additional definitions for Bank Act\)](#).” PBA reached out to Foster Youth in Action in Oregon to inquire further about how this law was working, and how it had been passed. Foster Youth in Action regularly engages youth in policy work, and in the 2015-2016 legislative year, the group had worked to write and pass a bill to increase bank account access for youth in care. The group worked with a lobbyist to move their bill through the Oregon legislature. To pass the bill, the group had to make some concessions to their original bill. They conceded the law should just pertain to savings accounts to appease the bank lobby (who preferred to allow just the savings accounts as there are already greater protections in place compared to checking accounts). Additionally, the youth conceded that it was okay for the financial risk to fall on the minor (if they were to overdraw or commit fraud) as typical law does not allow for a minor to be held responsible. Youth were able to keep some of their priorities in the bill including; allowing a social worker to identify the youth as one form of ID, and to make a financial literacy course optional for youth.

Overall, Oregon felt the law had been a great success, but recognized some issues. For one, the legislature did not put any protections in place for young people receiving SSI or SSDI payments – which may be impacted by having a bank account with a certain amount of money. They later passed the “ABLE account” which helped to address some of these concerns. Additionally, the group ran into some issues where after the law was passed, youth were still being denied by bank tellers. The group recommended other states to include a stipulation for communicating the new rules so that youth did not run into issues when actually opening an account. The group also suggested that they should have included a mechanism for the Oregon Department of Human Services to track how many youth utilized the law to obtain an account for their records. PBA’s notes from this meeting can be found [here](#).

## California

The Foster Care Bill of Rights in California indicates that youth in care have the right “to maintain an emancipation bank account and manage personal income, consistent with the child's age and developmental level, unless prohibited by the case plan.” PBA reached out to California Youth Connection (CYC) to inquire how or if this right was being enforced across California. CYC informed us that the addition to the Bill of Rights is helpful only in that it reminds youth in care to ask their social worker about a bank account, but that without any guidelines for enforcement it is still a large issue. CYC directed PBA to discuss the issue with [My Path](#), a national organization working on this issue for youth across the board. My Path is open to partnering with youth in care on the issue to create greater access to bank accounts for young people. My Path also shared their guide to [youth-friendly banking](#), which may be useful in encouraging credit unions to set up accessible accounts for young people.

## Hawaii

Similar to California, Hawaii included language about bank account access in their Foster Care Bill of Rights. [Hawaii Rev. Stat. 587A: Rights of children in foster care](#) includes that youth have the right to “have a personal bank account if requested, and assistance in managing the child's

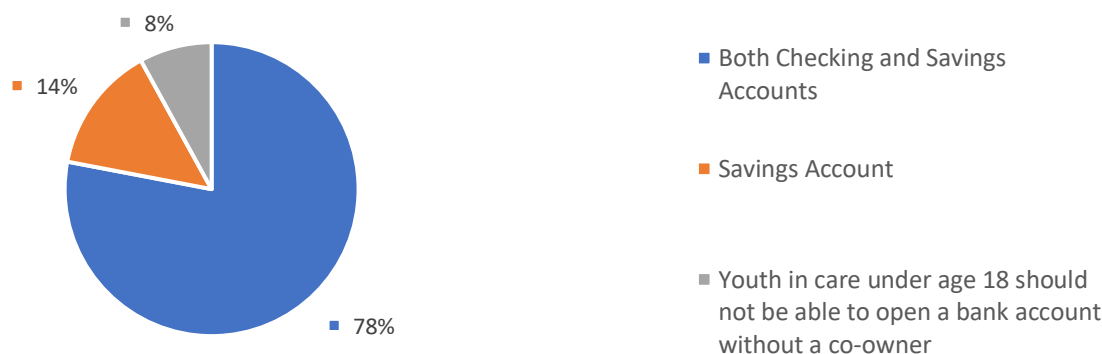
personal income consistent with the child's age and development, unless safety or other concerns require otherwise.” PBA was not able to identify a youth group to communicate with about this addition to their bill of rights for youth in care.

## SECOND BANKING SURVEY: STAKEHOLDER OPINIONS ON POLICY

The target participants of this survey were current and former foster youth and adult supporters from across New England. The survey was distributed via the youth advisory boards in each of the six New England states. PBA collected 59 responses to the survey, with individuals from each of the six New England states participating. 61% of the respondents were current or former foster youth and 39% were adult supporters. As seen in Figure 2, 77.9% (both the yellow and purple portions) of respondents felt that youth should have access to both a checking and savings account without a co-owner before leaving care. As seen in Figure 3, the group was more split on whether financial literacy courses should be required, or merely offered to youth wanting to open a bank account without a co-owner.

**Figure 2**

What type of account should youth in care be able to open?



**Figure 3**

Should youth in care be required to take a financial literacy course before they open a bank account with a co-owner?





## RECOMMENDATIONS

Project Bank Account has collected a significant amount of information regarding the bank account issue for youth in care in New England. This information has led to the following recommendations:

- 1) Meet with Child Welfare and Banking Commissioners/Directors to address the issue
  - a. This is the path that CT took in 2020, where they were able to gather critical information for creating a resource for youth to access bank accounts through what already exists. For example, the CT team learned that some credit unions were able to allow youth 16+ to open bank accounts without a co-owner. CT recommended asking the following questions to the Banking Commissioner: 1) Ask for list of banks under state charter – those are community based and 2) Ask for list of banks that have a relationships with Schools where youth can get an account and the co-owner is the school. Notes from the PBA meeting with CT about their meeting can be found [here](#).
  - b. This step can be beneficial in providing a quicker solution for youth needing a bank account now – states can use the information from the banking commissioner to complete a landscape analysis of existing banks to connect youth to banks that already exist that may allow them to open an account on their own. This could also allow states to build relationships with credit unions, and perhaps encourage some to change policies for [youth-friendly banking](#). This step however, would not be a fix for all foster youth attempting to open a bank account as there may not be actually be a bank close enough for the youth to access.
- 2) Lobby for a legislative change to allow youth in care to open a bank account at age 13 without a co-owner
  - a. This is the path that Oregon took, and from our research seems to be the most successful. The legislation provides a clear path for how youth can open accounts, and is an opportunity to get youth involved to make this important change.
  - b. This step can be beneficial in providing a long-term solution. This step however, would take more time and resources in order to be successful.