



An Act to Promote Economic Mobility Through Matched Savings S.628/H.1023

The Problem: Wealth Inequality

Wealth inequality in Massachusetts has increased significantly in the past two decades. In October of 2022, the Urban Institute released its Financial Health and Wealth Dashboard, which includes a range of local data on financial wealth, including novel wealth estimates. According to these estimates, White households in Boston have roughly 36 times the wealth of Latino households, around 20 times the wealth of Black households, and 7 times the wealth of Asian American and Pacific Islander (AAPI) households. Source: Boston Indicators report.

Racial Wealth Inequality in Massachusetts is even more stark. The commonwealth ranks 45th in the country for homeownership among households of color, an asset class where most Americans hold their wealth
 Source: Prosperity Now Scorecard

As racial and economic inequality continue to widen, exacerbated by the recent pandemic, this bill's potential impact is crucial.

[H.1023/S.628] An Act to promote economic mobility through matched savings
 Filed by Rep. Gentile and Sen. Eldridge

How Matched Savings works:

STEP 1

Midas community partner organization recruits participant into matched-savings program

STEP 2

Participant identifies their savings goal and begins making monthly deposits into their matched savings account

STEP 3

Participant receives financial education and training from their community partner organization, achieves their savings goal, and earns a match at a rate of 2:1 or 4:1

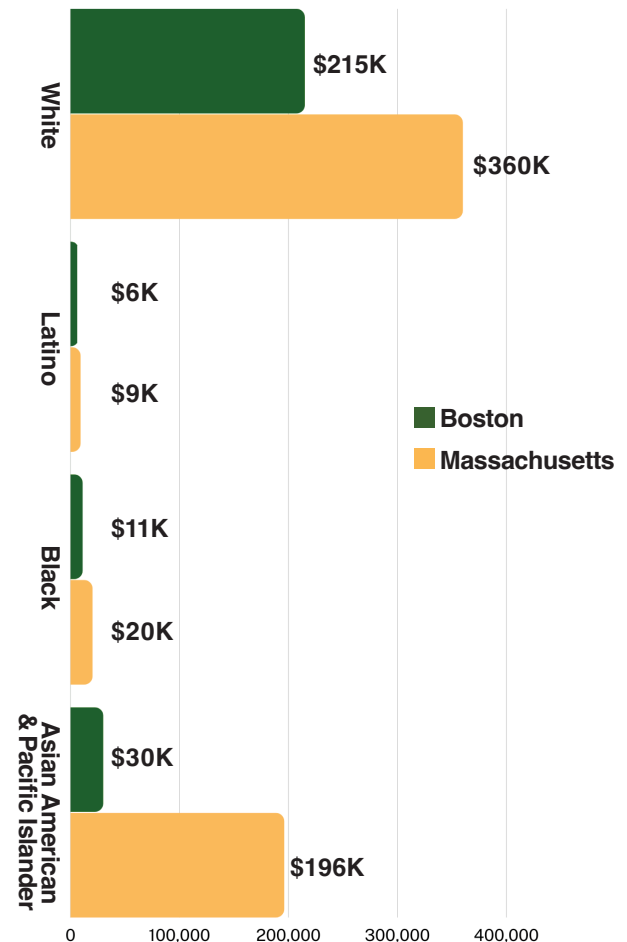
STEP 4

Participant uses their savings + match to make a life-changing and wealth-building investment

Matched Savings is a proven and powerful tool.

We know matched savings works; unlike other microfinance programs, matched savings grantees do not need to pay back their matches, thus helping to increase net worth and directly address racial wealth gaps in ways other programs do not.

Figure 15: Local estimates from urban Institute's "Financial Health and Wealth Dashboard"
 Estimated median household wealth by race and ethnicity, 2019.



Note: White, Black and Asian American and Pacific Islander groups are exclusive of Latino members. Chart: Boston Indicators ~ Source: Adapted from the Urban Institute's, "Financial health and Wealth Dashboard"