

FED & MAIN

Creating an Economy That Works for All

Our February Focus: Investing in children. Read more about cash transfers and babies' brain development as well as Connecticut's baby bond program.



HEALTH: CASH AND BRAINS — A recent [research paper](#) analyzed the effects [giving cash to low-income mothers](#) had on their babies' brain activity.

Shortly after giving birth, the 1,000 mothers in the study were randomly assigned to get either a large amount of cash each month, or a smaller amount. According to [Brookings](#), the findings are "game changing: Babies whose mothers were assigned to the high-cash gift group had more high-frequency brain activity compared to children in the low-cash group."



Actions: [SummaCare](#), a health plan serving over 22,000 Medicare members in Ohio, worked in partnership with [Papa Inc.](#), an organization that connected senior clients with young adults who engage them in virtual visits. SummaCare followed up with a survey using the [UCLA Loneliness Scale](#) and found program [participants' reported loneliness had been more than halved](#) and their self-reported unhealthy days dropped.



Ideas: "The pandemic has given us a renewed chance to challenge a false dichotomy of economic growth versus public health, and to think differently about advancing policies that move both forward together," New York City Health Commissioner Dr. Dave Chokshi said at the "[Investing in Health](#)" event co-hosted by the New York Fed and NYC's Department of Health and Mental Hygiene. [Read more.](#)



CLIMATE: BUILDINGS POLLUTE MORE THAN TRUCKS – A recent New York state [climate scoping plan](#) found the state's residential and commercial buildings accounted for 32% of the state's 2019 emissions, followed by the transportation sector at 28%.

January marked the beginning of a public comment period to receive feedback as the state works to develop and release a final scoping plan by the end of 2022.



Actions: Ithaca has lined up [\\$100 million](#) in private equity for its efforts to decarbonize, as a city, by 2030. Part of the plan: Negotiating with retailers for bulk discounts on items like heat pumps and connecting with training and apprenticeship programs to add labor.



Ideas: [Harvard University's Joint Center for Housing Studies](#) found renters face the greatest risk to their homes from climate-related disasters, yet are largely left behind in efforts to fortify housing against climate risks. As rental demand reaches an all-time high and rents prices jump, the report calls for a "permanent, fully funded housing safety net" to protect rental housing.



HOUSEHOLD FINANCIAL WELL BEING — BABY BONDS: A recent [Prosperity Now](#) paper argues that states should introduce baby bonds to help narrow the racial wealth divide.

One example: Under a program implemented in 2021, for every Connecticut baby whose birth is covered by the state's Medicaid provider, up to \$3,200 is deposited into the [Connecticut Baby Bond Trust](#) and invested by the state Treasurer. At age 18, the beneficiary can claim the funds to start a Connecticut business, buy a home in Connecticut, pay for higher education, or save for retirement.

ECONOMIC EDUCATION: At a recent New York Fed virtual convening, "[What Does 21st Century Civic Engagement Look Like?](#)," educators heard from one group of high schoolers who formed a "Census Squad" to ensure their neighborhood was properly counted. They also heard from another group of students that tested its school's drinking water for lead. Participants highlighted how student civic engagement moves students from "spectator" to "actor" and helps students build teamwork skills. [Read more.](#)

The New York Fed's Community Development unit works with community leaders to understand community needs and with capital providers to foster economic opportunities. We are searching for ideas that can tear down barriers to economic mobility for low- and moderate-income people; our focus is on the economic drivers of health, household financial well-being, and climate-related risks. Our goal is to elevate those ideas and connect them with funding. To see our [past newsletters](#), [events calendar](#), and learn more, visit our [website](#).

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