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Advocates pitch savings accounts for pandemic orphans

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LANSING – Michigan ranked 11th in the country in the number of children who have lost a primary caregiver due to COVID-19, according to the Centers for Disease Control and Prevention.

Approximately 50,000 children in the state have lost at least one caregiver to the disease.

Lawmakers in California, which led the nation in children orphaned by the disease, have introduced legislation to create state-funded trust accounts for these children who are now in the state foster-care system or in low-income households. No similar bills are pending in the Michigan Legislature.

Initial deposits would begin at \$4,000 per eligible children under 10, and \$8,000 for those over 10, according to the California proposal. Depending on their foster care status, children would be able to withdraw the funds when they are 18 or 21.

Child welfare agencies in Michigan, such as Michigan’s Children and Wolverine Human Services, say they would support the state following California’s lead.

“What we know is that investing early on in kids is where success often lies, whether that is done as a trust fund or child savings account,” said Duane Breijak, the executive director of the Michigan chapter of the National Association of Social Workers.

Breijak said the idea of state-funded savings accounts would be an interesting strategy to provide relief for kids orphaned by the pandemic since financial support for them is a huge burden to take on.

“Whether there’s a pandemic or not, how do we best support a child when they lose a parent or caregiver? And where does that financial burden lie?” he said.

A trust or savings account would work as a long-term solution to children’s needs that arose during the pandemic, said Breijak.

“There have been lots of funding opportunities through American Rescue Funds dollars that agencies have been able to use, but that fund is likely to be gone in the next year or so,” Breijak said.

Bobby Dorigo Jones, the vice president of Michigan’s Children, a nonprofit that advocates public policies in the best interest of children, said such a proposal in Michigan would be feasible.

“It’s certainly doable economically when I look at the amount of funding going to each person in the California bill,” said Jones.

He said providing a savings account to each eligible child would cost \$50 million to \$100 million, an amount roughly equal to 1% of the state’s current surplus.

Not only do children who have lost a caregiver need support, but so do the adults who take care of them, most often a grandparent, aunt or uncle, he said.

The death of a parent or caregiver is associated with higher risks of suicide, violence, sexual abuse and less education, according to the CDC.

Judith Fischer Wollack, the CEO of Wolverine Human Services in Grosse Pointe Park, said something like a child savings account would be a positive motivator for orphaned children to continue to higher education.

“How many kids don’t go to college because they think they can’t afford it?” she said.

Savings accounts like that would also be especially beneficial for children in the foster care system with cognitive disabilities, said Wollack.

“Recently a 10-year-old boy came into the shelter who was pretty developmentally disabled and both his parents had died that week of COVID,” she said. “So where his life goes, and the amount of support and needs he will have will be tremendous in life.”

Wollack said she thinks legislation creating such accounts would be an amazing idea to support Michigan children.

“It’s apparent we need to continue to support our most in need children, especially those in foster care.”

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Editor’s note: This article was updated on Feb. 26, 2022, to show that Michigan ranked 11th, not 12th, among the states in the number of children who lost a parent or other caregiver due to COVID-19.