



MECKLENBURG COUNTY
North Carolina

Mecklenburg County Generational Wealth Pilots

AIM Up Program Update

May 19, 2026

Agenda

- **Overview on Generational Wealth Investment Projects (GWIP)**
- **Child Development Accounts (AIM UP)**
- **Section 530A – Individual Trust Accounts – “Trump Accounts” Overview**
- **AIM Up and Trump Accounts – What’s the Difference?**
- **Open Discussion**

Generational Wealth Investment Projects

A Two-pronged Approach

Programs designed to revolutionize how people in transition are provided resources to support movement into the next phase of their lives as they prepare for a life of self-sufficiency, upward mobility, and economic prosperity.

- Supplemental Income – Designed to inspire upward mobility
- Seed Investment – Designed to inspire early investment



RAMP Up

Reentry Assistance Mobility Program

The program is for individuals returning to the community after incarceration.



GEAR Up

Getting Every Adolescent Ready

Program for youth aging out
of foster care.



AIM Up

Assets Inspire Mobility Program

The program is for children who complete the Meck Pre-K program.

Generational Wealth Investment Projects

AIM Up Program Implementation

- Designed to provide access to college savings accounts, financial literacy resources, and investment knowledge for Meck Pre-K families
- Eliminates barriers such as financial need restrictions
- Enhances education-focused incentives
- Empowers communities through sustainable financial planning

Generational Wealth Investment Projects

AIM Up Program Implementation

- Mecklenburg County seeded account for post-secondary education or workforce expenses (college, apprenticeships, and credentialing programs)
- \$1,000 after Meck Pre-K program completion and participation in county partner financial literacy programming.
- Open to children in Meck Pre-K with income at 200% or below the federal poverty level (FPL), no SSN needed until point of disbursement

Generational Wealth Investment Projects

Personalized Investment Plan

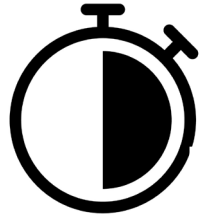
- **College Foundation of North Carolina Automated Portfolio Management** – allowing low-cost investment strategies. The CFNC is a free service of the State of North Carolina provided by NCSEAA, Pathways (a state-wide initiative to increase the college-going rate of North Carolinians), and the College Foundation, Inc.
- **NC 529 College Savings Plan Overview** – educating families on entity accounts and benefits/potential of long-term growth and investment.

AIM Up Outputs and Outcomes



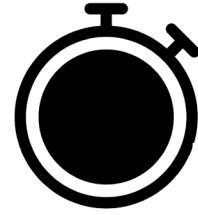
Short-term

- Parents and guardians increase financial knowledge
- Every eligible family can enroll, activate, and use AIM Up accounts
- Individual family accounts activated and measured
- Families participating in the program complete at least one account transaction within the first year



Medium-term

- Monitored asset growth over time
- Reduced financial stress from the security saving offers
- Growth in confidence in individual and family financial planning



Long-term

- Monitored Asset utilization for college attendance or workforce programs
- Monitored net assets over duration of investment period (avg. 13 years)
- Educational attainment of participants
- Intergenerational mobility and family accounts created



Trump Accounts

Jumpstart early investment with U.S. Treasury-backed accounts.

Long-term financial security for millions of children by creating tax-advantaged investment accounts for U.S. citizens under the age of 18.

Trump Accounts

26 U.S.C. § 530A

WHAT ARE TRUMP ACCOUNTS?

- Tax-deferred savings accounts
- For children under age 18 with a Social Security number
- Structured as a traditional IRA (non-Roth)
- \$1,000 federal seed grant for children born Jan 1, 2025 – Dec 31, 2028 (pilot program)
- Contributions begin July 4, 2026

CONTRIBUTIONS

- Up to \$5,000/yr (indexed for inflation after 2027)
- Sources: parents/individuals, employers (up to \$2,500), government, & qualified nonprofits/501(c)(3)s
- No tax deduction for contributions
- Exempt contributions (govt seed, rollovers, general funding) do NOT count toward the \$5,000 cap

HOW FUNDS CAN BE USED

⚠ **No distributions permitted before age 18 (growth period)**

After Age 18 — Converted to Traditional IRA:

- Higher education expenses
- Home purchase (first-time homebuyer)
- Entrepreneurship / business start-up
- Other designated purposes per IRA rules
- Long-term retirement savings (treated as traditional IRA)

Eligible Investments (during growth period):

- Index mutual funds or ETFs tracking S&P 500 or other U.S. equity index
- No leverage; annual fees \leq 0.10%

QUALIFIED GEOGRAPHIC AREA

Key Points:

- Must have at least 5,000 Trump account beneficiaries residing in the area
- Must be formally designated by the Secretary of the Treasury
- Used to define eligible 'qualified classes' for general funding contributions by governments or nonprofits
- IRS currently limits geographic targeting to states or D.C. only

AIM Up & Trump Account Comparison

Feature	AIM Up Program	Trump Account
Purpose	Mecklenburg County seeded account for post-secondary education or workforce expenses (college, apprenticeships, and credentialing programs)	Federal Government-seeded savings for children to build long-term capital for adulthood
Government Seed	\$1,000 after Meck Pre-K program completion and participation in county partner financial literacy programming.*	\$1,000 at birth for eligible children
Eligibility	Open to children in Meck Pre-K with income at 200% or below the federal poverty level (FPL), no SSN needed until point of disbursement	Children born Jan. 1, 2025 – Dec. 31, 2028; parents must have work-eligible SSNs

AIM Up & Trump Account Comparison

Feature	AIM Up Program	Trump Account
Withdrawal Rules	Withdraw anytime before age 30; tax-free if for qualified education expenses to a NC public higher education or workforce readiness program	No withdrawals before the child turns 18, except for limited cases, after age 18, the account becomes a traditional IRA, and withdrawals are taxable and may incur a 10% penalty before age 59½.
Qualified Use	Education costs: tuition, room & board, books, school supplies, apprenticeships, certifications.	Higher Education, small businesses, or first-time home buying
Primary Advantage	Tax-free growth and withdrawal for education; flexible and high contribution limits; encourages lifelong savings habits for children and their families	Automatic \$1,000 start; encourages lifelong savings habits; encourages higher education, small business creation, and home-ownership.

Balance Comparison by Annual Contribution Level

Yearly Contribution	Age at Disbursement - 18	Age at Disbursement - 25	Age at Disbursement – 30/55
\$0	\$2,000	\$3,000	\$4,000
	\$6,000	\$15,000	\$243,000
\$240	\$7,000	\$12,000	\$17,000
	\$19,000	\$51,000	\$878,000
\$5,000	\$92,000	\$187,000	\$278,467
	\$271,000	\$742,000	\$13M

Account Key

AIM Up – **Top in Blue**
 Trump Accounts – **Bottom in Black**

Recommendation for BoCC and Equity Investment Ad-Hoc Committee

Evaluate Trump Accounts + Sustain RAMP Up & GEAR Up

- Pause AIM Up implementation
- Research Trump Accounts and local impact
- Continue use of carry-forward dollars to extend supplemental income pilots in partnership with Criminal Justice Services (RAMP Up) and Youth and Family Services (GEAR Up) for FY2027
- Develop a plan and partnership to provide financial literacy support for Meck Pre-K families
- Determine if we should continue the \$3M Child Development Account allocation of Mecklenburg County funds for the first eligible cohort of children born between January 1, 2025, and December 31, 2028. This investment would support the Meck Pre-K program, with the earliest school year projected to start in FY2029.

Thank you.