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## OPINION

### Why not give every kid a stake in the stock market? Now we will.

The new “Trump Accounts” will expand access with a \$1,000 gift to newborns.

BY ZACH BUCHWALD

Most Americans are uncomfortable making investment decisions, and that ends up putting more strain on the federal budget than we tend to acknowledge. Giving young families a stake in the markets could help build a true investment culture in this country.

That’s why we can celebrate the investment account provision — creating “Trump Accounts” — in the One Big Beautiful Bill Act that just became law of the land. Although the full legislation is far from perfect, the provision is a smart way to help more families build financial security from the start.

Yes, deficit concerns and benefit reductions drove much of the debate. But the accounts program has the potential to do the opposite of what critics fear. It can help Americans build financial security earlier and more confidently and, over time, ease the pressure on both the safety net and the federal budget. This kind of long-term investment in people addresses a deep, persistent challenge: Most Americans don’t save or invest nearly enough during their working years.

The Trump Account plan is a bold statement on universal access. Every child born in the U.S. from 2025 to 2028 will receive a \$1,000 investment

account. (Kids born earlier can still open accounts, but without the government seed money.) Both the program and the kick-start are designed to encourage long-term contributions — and one of the best improvements in the final version is the inclusion of employer contributions. Families can contribute up to \$5,000 annually, with employers able to cover up to \$2,500 of that amount. That raises the ceiling on what these accounts can become, since even modest contributions have the potential to grow significantly over time.

Consider this scenario: Families contribute \$20 weekly to their child’s account, and employers add another \$2,500 annually. At a 7 percent rate of return, this account could exceed \$100,000 by age 21. And with continued contributions, the account could grow to over \$2,000,000 by age 60. That early start doesn’t just help with paying for college or buying a first home — it sets the foundation for lifelong financial security through to retirement.

We’ve seen time and again that starting early makes a difference. Thanks to compounding, invested dollars can grow alongside the economy — unlike savings accounts or Treasury bonds, which can lose value to inflation. What’s more, families that historically had little access to the market would

finally get a foothold, along with the tools and education to make the most of it.

Criticism has come from both sides. From the left, critics argue that the program will disproportionately benefit wealthier families, especially those able to contribute the full \$5,000 each year. That concern is fair, although as tax advantages go this one is small potatoes. To those critics, I suggest that they see the Trump Accounts as a complement to the 529 college savings plans, which are used broadly and help millions of families save for higher education. The limits are modest in both programs.

From the right, the main criticism is that this is just another government handout. And as it relates to the \$1,000 seed money, that is true. But this criticism misses a crucial point: This program has the potential to *reduce* spending down the line by helping Americans become more independent. Studies [have shown that](#) programs such as this can raise household assets and help to reduce long-term dependence on safety net programs such as Medicaid and Supplemental Security Income. That’s a win for families *and* for the federal budget.

It’s uncommon to find a government program that promotes both inclusion and self-reliance at once. But this one

does. The accounts alone will not create or close any wealth gaps, but they can help close the experience gap between those who grow up understanding how the financial system works and those who assume it isn't meant for them. It's also how we start to build a true investment culture — by expanding access to the tools that create real economic opportunity.

As always with government programs, details matter. The Treasury Department will oversee the accounts program and has broad authority to partner with private financial institutions — and it should. The law already requires these

accounts to invest in low-cost index funds, with annual fees capped at 0.1 percent, so families keep more of what they earn. And the asset management industry should also step up to build the infrastructure with a focus on simplicity and transparency. It should all be paired with financial education so that people understand what they own and why it matters. (Details of the law won't be finalized until next year.)

The goal here is to encourage broad participation through consistent contributions. If it works, critics from both sides can be happy with the outcome.

Finally, the asset management

industry has been given a golden opportunity to deliver its investment capabilities at scale to Americans of all stripes. For many years, the industry has talked about democratizing markets, but for millions of people, the markets still feel like a gated community. True democratization will happen when we break down the barriers to the investment ecosystem, which is what the Trump Accounts aim to do.

Giving every child a foothold in the market sends a clear message: Everyone belongs in this economy, and the tools to build a better future should be there from Day 1.