Financial Health Frontiers

Financial Health Runs in the Family

Intergenerational Trends and Opportunities

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About Financial Health Frontiers

Supported by the Citi Foundation, Financial Health Frontiers is an ambitious initiative that aims to identify the needs, challenges, and opportunities for the next era of financial health. Guided by an Advisory Council of industry experts, business leaders, policymakers, advocates, and researchers from across the country, the Frontiers initiative asks: What are the trends that will most influence financial health over the next generation? How can we harness them for greater and more equitable financial health? Who is not at the table now but has a critical stake in the financial health movement?

This publication contributes to our portfolio exploring critical headwinds and tailwinds that will shape financial health in the years to come. For more information about Financial Health Frontiers, and our publications, visit us at

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FINANCIAL HEALTH NETWORK

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Introduction

The Interdependence Era: A Vision for Shared Financial Security

Our country is facing dramatic demographic shifts and generational financial health challenges unlike ever before. As the number of individuals over 65 swells and we near the greatest wealth transfer in history, we face innumerable questions about the future of social safety nets, prospects for economic mobility, and how this shift may exacerbate existing economic and racial inequity.[1, 2]

These questions can naturally lead people to think about the specific challenges and pressures their own generation faces. Researchers, advocates, policymakers, and financial service providers, too, can default to thinking about challenges and solutions in age-defined siloes and customer segments. But these generational lenses can, at times, be a detriment to big-picture thinking about solutions that work for all. At their worst, they create a zero-sum mentality that generates friction between generations, ultimately benefiting no one.

To truly foster financial health, we need to think beyond the specific challenges for one cohort to a broader recognition of *intergenerational* financial health needs. In this brief, we propose a **new way of thinking about the financial needs of generations – not one grounded in a specific group, but one that recognizes our interdependency.** Expanding the aperture of our view can clarify the realities, identify shared needs, and reveal potential solutions.

This paper summarizes findings from secondary research, input from Financial Health Frontiers Advisory Council members, and a lively conversation with intergenerational experts across disciplines, held in April 2025, as part of the Financial Health Frontiers initiative. This event convened 30 leaders from a wide array of sectors – from financial institutions, to researchers and consumer advocates – with expertise spanning youths to seniors. Our wide-ranging and open discussion touched on the specific pressure points facing each age group, shared challenges, and our collective interest in a system that recognizes our interdependence.

We offer a new lens that can help financial service providers meet people's needs across their life stages, support policymakers to address today's problems while planning responsibly for the future, and help employers truly meet employees' household financial needs. With an intergenerational lens, we can create a secure base for each generation to support, build on, and lift up one another.

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[1] Talmon Joseph Smith, "The Greatest Wealth Transfer in History is Here, with Familiar (Rich) Winners," NY Times, May 2023.
[2] "Demographic Turning Points for the United States: Population Projections for 2020 to 2060," United States Census Bureau, February 2020.

Financial health is a holistic concept that refers to people's ability to spend, save, borrow, and plan in ways that allow them to be secure and pursue opportunities. In America, only 30% of households are Financially Healthy.[3] The majority are Financially Coping, struggling with some areas of their financial lives, or Financially Vulnerable, living amid severe financial strain.

Financial Health Takes Shape Across Generations

There is value to generational groupings: We are all shaped by our environments, whether it be serving in the Vietnam War, entering the workforce during the Great Recession, or coming of age during the artificial intelligence revolution. Generational definitions can allow us to understand shared experiences and challenges for people at various ages and life stages.

When looking at the financial realities for each generation, we indeed find specific pressure points that distinguish groups by age. For example, Baby Boomers are retiring en masse, entering the lifestage where they will incur half of their lifetime medical expenses.[4] Gen Xers find themselves juggling work, child-rearing, and caring for aging parents.[5] Millennials and Gen Z members, meanwhile, are achieving life milestones at later ages as they face skyrocketing costs for childcare, housing, and education.[6]

But generational groupings can also create siloed thinking. Organizations risk working on the financial health challenges of one group in a vacuum, considering only the particular realities and needs of that cohort. The truth is that, regardless of age, financial struggles are a shared experience. Less than half of each generation is Financially Healthy.[7,8]

[3] The Financial Health Network measures financial health using our proprietary FinHealth Score® framework, which is based on eight survey questions that align with the eight indicators of financial health. We calculate an aggregate FinHealth Score based on an individual's answers to the eight finhealth indicator questions, where respondents who score 0-39 are considered Financially Vulnerable (struggling with almost all aspects of their financial lives), 40-79 as Financially Coping (struggling with some aspects of their financial lives), and 80-100 are Financially Healthy (struggling with a couple or fewer aspects of their financial lives).
[4] Berhanu Alemayehu & Kenneth E Warner, "The Lifetime Distribution of Health Care Costs," Health Services Research, June 2004.
[5] Kim Parker and Eileen Patten, "The Sandwich Generation," Pew Research Center, January 2013.
[6] Jonathan Vespa, "The Changing Economics and Demographics of Young Adulthood: 1975-2016," United States Census Bureau, April 2017.
[7] Andrew Warren, Wanjira Chege, Kennan Cepa, Ph.D., & Necati Celik, Ph.D., "Financial Health Pulse® 2024 U.S. Trends Report," Financial Health Network, September 2024.
[8] Generational definitions from Michael Dimock. See: Michael Dimock, "Defining generations: Where Millennials end and Generation Z begins," Pew Research Center, January 2019.

Moreover, in the real world, we don't live our lives in age-defined siloes. **Families always have and always will operate intergenerationally.**[9] As just a few examples:

- 1 in 4 American adults (67 million) live in households with three or more generations.[10]
- 44 million Americans serve as unpaid caregivers, including about 20 million who are supporting a parent.[11]
- Three-quarters of families with a child in college use parent savings to cover costs.[12]
- 6% of households currently hold student loans for a child or grandchild's education.[13]

The simple reality is to support the financial health of one generation, we must examine how their financial lives are intertwined with other generations.

Figure 1. People experience financial health troubles at all ages

Silent Generation (1921-1945, age 80-97 in 2025)

- 15% of households over the age of 85 live in poverty.[14]
- Silent Generation members are grappling with long-term care costs.[15]

Baby Boomers (1946-1964, age 61-79)

- 2025 marks the apex of Baby Boomers reaching 65 years of age, yet relatively few are set up well for retirement.[16]
- Half of Baby Boomers have less than $200,000 saved for retirement, with dramatic disparities by gender, race, and education.[17, 18]
- 40% of older individuals rely only on Social Security income in retirement.[19]

Gen X 1965-1980 (age 45-60)

- Gen X faces a squeeze as the "Sandwich generation": young enough to have financially dependent children, but old enough to have aging parents.

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[9] Note: The Financial Health Network defines family to include "chosen family" and broader networks of loved ones.
[10] Amy Goyer, "Family Matters: Multigenerational Living Is on the Rise and Here To Stay," Generations United, April 2021.
[11] "Caregiving in the U.S.," National Alliance for Caregiving, May 2020.
[12] "2024 How America Pays for College," Sallie Mae Bank, 2024.
[13] "Economic Well-Being of U.S. Households in 2024: Appendixes," Board of Governors of the Federal Reserve System, May 2025.
[14] Author's calculation based on American Community Survey (ACS) 2023 estimates. We use the Official Poverty Measure (OPM) here, which is based on cash resources. The Census Bureau also releases a Supplemental Measure of Poverty (SPM), that includes cash and noncash benefits and subtracts necessary expenses like taxes and medical expenses. The SPM is generally higher than the OPM for older adults, and lower for children. See: "B17020 Poverty Status in the Past 12 Months by Age," United States Census Bureau, 2023, and Emily A. Shrider, "Poverty in the United States: 2023 - Current Population Reports," United States Census Bureau, September 2024.
[15] "Long Term Care Costs," The Federal Long Term Care Insurance Program.
[16] Jason J. Fichtner, PhD, "The Peak 65® Zone is Here - Creating a New Framework for America's Retirement Security," Alliance for Lifetime Income, January 2024.
[17] Among people 65-74 in 2022. See: "Retirement accounts by age of reference person," Board of Governors of the Federal Reserve System, November 2023.
[18] "Get the Facts on Economic Security for Seniors," National Council on Aging, June 2024.
[19] Among households where the head of household was 60 or older, with no one in the household working more than 30 hours per week, using 2014 SIPP data. See: Tyler Bond & Frank Porell, PhD, "Examining the Nest Egg: The Sources of Retirement Income for Older Americans," National Institute on Retirement Security, January 2020.

● Older members of this generation are nearing traditional retirement age, but only 60% even have a retirement account.[20] ● Many are still paying off their own student debt, with 25% of Gen Xers still holding student loan debt –1 in 5 of whom took that loan for someone else.[21]
Millennials (1981-1996, age 29-44) ● Millennials are reaching the traditional markers of adulthood – getting married, having children, and buying a home – later than prior generations, with impacts on wealth building and longer-term financial health.[22, 23] ● The average age of first homeownership is now 38.[24]
Gen Z (1997-2012, age 13-28) ● While data shows education continues to be the best path to secure wage growth, it comes at a high price. [25, 26] ● This is a particular challenge as Gen Z confronts "credential inflation," in which employers require increasingly higher amounts of experience and education for entry level work.[27] ● New graduates are entering the job market with high levels of student debt, deterring savings and investment.[28] ● 58% of Gen Z members are rent-burdened, with little left to save for longer-term goals or investing in the future.[29]

[20] "Retirement accounts by age of reference person," Board of Governors of the Federal Reserve System, November 2023.
[21] K. Jeremy Ko, PhD, Olivia Valdes, PhD, Ritta McLaughlin, & Gary R. Mottola, PhD , "How Gen X Compares Financially to Other Generations: Doing Alright but Feeling Bad," FINRA Investor Education Foundation, October 2024.
[22] "Figure MS-2 Median age at first marriage: 1890 to present," United States Census Bureau.
[23] "Births and Natality," CDC National Center for Health Statistics, June 2025.
[24] "First-Time Home Buyers Shrink to Historic Low of 24% as Buyer Age Hits Record High," National Association of Realtors, November 2024.
[25] "Annual Earnings by Educational Attainment," National Center for Education Statistics, May 2024.
[26] Melanie Hanson, "Student Loan Debt Statistics," Education Data Initiative, March 2025.
[27] This is alternatively known as "degree inflation," See: Matt Sigelman, Joseph Fuller, & Alex Martin, "Skills-Based Hiring: The Long Road from Pronouncements to Practice," Harvard Business School & Burning Glass Institute,February 2024.
[28] Craig Copeland, Michael Conrath, Sharon Carson, & Alex Nobile, "Student Loans and Retirement Preparedness," EBRI, February 2024.
[29] "3 in 5 Gen Z renters are rent burdened, but Millennials had it worse," Zillow, October 2024.

A Bi-Directional Relationship: One Generation's Financial Security Benefits Others

Financially Healthy older adults enable younger generations to build their own financial security: Research has consistently found strong links between parental income and children's economic outcomes.[30,31] Not only are financially secure parents less likely to rely on financial support from their family as they age, but they are also better-positioned to invest in their children's educational pursuits, facilitate access to homeownership, and foster social networks that offer access to opportunity. Younger people who enter the workforce on financially sound footing are then better positioned to take advantage of wealth building opportunities.

Similarly, when young adults are in strong financial positions, they are better-positioned to care for family members young and old. The Social Security model is explicitly powered by younger generations: Each cohort of workers funds the generation ahead of them through their payroll taxes, keeping elders financially sound – and reducing the caregiving burden for the children.

But the reverse is also true. When older adults struggle en masse, the implications for younger generations can be enormous. Today, many older adults are working longer, constraining career opportunities for younger groups. And with the country aging, the Social Security trust funds are shrinking as fewer people pay into them and more income is excluded from Social Security payroll taxes – jeopardizing the system's ability to continue paying out benefits at the current rate.[32,33]

Meanwhile, many cash-strapped parents feel pressure to help their children with student loans, a down payment, or childcare, even as they face their own financial struggles.[34] And children who want to care for aging or struggling parents may put aside work at their peak earning years. Supporting family members in need has racial as well as generational implications: A recent study found that supporting relatives facing economic hardship (kin obligations) is a significant contributor to racial differences in wealth.[35]

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[30] "Parental Income Has Outsized Influence on Children's Economic Future," The Pew Charitable Trusts, July 2015.
[31] Raj Chetty et. al, "Changing Opportunity: Sociological Mechanisms Underlying Growing Class Gaps and Shrinking Race Gaps in Economic Mobility," Opportunity Insights, July 2024.
[32] "The 2023 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds," Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, March 2023.
[33] Funds for Social Security are collected through Federal Insurance Contribution Act (FICA) and/or Self-Employment Contributions Act (SECA) taxes. These taxes are assessed on income up to a maximum level, which are set each year based on an indexing formula. Since the 1980s, when the maximum level began to be set according to wage indexes, about 94% of workers earn wages that are subject to FICA and/or SECA taxes. However, because income has grown so much at the top, the share of wages subject to these taxes has dropped from about 90% of earned income in 1982, to now about 82%. For more information, see: Zhe Li, "Social Security: Raising or Eliminating the Taxable Earnings Base," Congress.gov, December 2021.
[34] Lisa Servon, "Embracing Relationships as a Cornerstone of Financial Stability," Filene Research Institute, July 2022.
[35] Jermaine Toney & Darrick Hamilton, "Economic Insecurity in the Family Tree and the Racial Wealth Gap," Review of Evolutionary Political Economy, 2022.

Financial Health Challenges Are Primarily Shared, Not Generation-Specific

Our Frontiers event began by discussing the particular challenges facing each unique age group. But before long, we found shared challenges and experiences across generations. Below, we synthesize four distinct but related themes that emerged through the discussion.

These themes exemplify how, no matter one's age, people are struggling to keep up with a rapidly evolving financial, cultural, and social context. While these issues affect different generations distinctly, they are part of a shared experience, with implications for intergenerational financial health.

1. A "Do-It-Yourself" Financial System

Over the last few decades, the complexity and scope of financial decisions have multiplied. We now have more financial decisions to make than ever, from investment options to insurance plans.

Despite this complexity, the last several decades have also been characterized by a transfer of risk from institutions and governments to the individual. A prime example is the long-running transition away from pensions. As defined benefit plans have largely shifted to defined contribution plans, retirees have been left to guess at the savings they need for their later years, despite uncertainties like health trajectory and life expectancy. [36,37] At the same time, people are not banking on Social Security. More than 40% of non-retired adults expect to receive no Social Security benefits in their later years, however unlikely that case may be.[38,39]

This means many people believe they are effectively on their own in building the savings they need for a secure retirement of undetermined length and health. As challenging as that may be, the system presents even more complicated choices: The average 401(k) plan from a large employer offers 28 investment options.[40]

[36] "Boomers Lament Disappearance of Pensions," Center for Retirement Research, March 2022.
[37] Robert Siciliano & Gal Wettstein, "Can the Drawdown Patterns of Earlier Cohorts Help Predict Boomers' Behavior?" Center for Retirement Research, September 2021.
[38] Kim Parker, Rich Morin, & Juliana Menasce Horowitz, "Looking to the Future, Public Sees an America in Decline on Many Fronts," Pew Research Center, March 2019.
[39] While 2035 is the projected year at which the Social Security Trust Funds will be depleted, Social Security would continue to pay benefits based on the revenue it takes in through payroll taxes. The Trust Funds were created in years in which Social Security collected more revenue than it paid out in benefits, yet as demographics have shifted – and more income in the economy is not subject to Social Security payroll taxes – Social Security has spent down these funds. At the year of exhaustion, Social Security will need to pay benefits based solely on the funds it raises. Trustees expect that, without any changes to the revenue structure, the program could pay about 83 percent of current benefit levels for 75 years, and then 73 percent of current benefits after that. For more discussion see: Paul N. Van De Water, "What the 2024 Trustees' Report Shows About Social Security," Budget and Policy Priorities, July 2024.
[40] "BrightScope/ICI Data Show Employer Commitment to 401(k) Plan Saving," Investment Company Institute, September 2022.

It's something of a myth that previous generations had pensions and savings for life. But this generation is really the first to need to figure out how to draw down 401(k) savings, without knowing how long they will live.

– Joel Eskovitz, Senior Director of Social Security and Savings, AARP Public Policy Institute

2. An Expanding Sense of Isolation

In search of financial guidance, some may turn to a financial advisor for support, but that option is out of reach for many. And discussing finances with family can prove tricky, complex, and uncomfortable. Some communities and generations have taboos about discussing finances openly, leaving people to navigate an increasingly complex landscape on their own.

This sense of being "on one's own" was reinforced countless times during the Frontiers event. Take one example: Representatives of Gen Z told us career development has become increasingly fraught for their generation as they navigate the labor market without clear mentors, pathways, or guidance. Another example: Parents of young children – now, most often Millennials – face crushing childcare costs, which can top $19,000 a year.[41]

Oftentimes, blame is put on the individual, when we've been put into an environment that is unfair. The message is you have to figure it out on your own. We are screaming for relief.

– Alexander Lundrigan, Policy & Advocacy Manager, Young Invincibles

3. "Good Debt": Does It Even Exist Anymore?

Across age groups, one issue came up uniformly: debt. From student loans to mortgages and credit cards, debt surfaced at the Frontiers event more than any other topic.

The Federal Reserve System of New York now estimates total consumer household debt to be $18 trillion.[42] Housing debt stands at more than $13 trillion, while student loan debt is $1.6 trillion. Precipitous increases in homeownership costs (240%) and college costs (400%) in recent decades are driving these debt burdens.[43,44] Recent Financial Health Network research showed that consumers paid over $400 billion in interest and fees on key financial services and products in

[41] Georgia Poyatzis & Gretchen Livingston, "We analyzed 5 years' worth of childcare prices. Here's what we found.," U.S. Department of Labor Blog, September 2024.
[42] "Household Debt and Credit Report (Q1 2025)," Federal Reserve Bank of New York Center for Microeconomic Data.
[43] Meghan Greene & Lisa Berdie, "Households Under Financial Pressure," Financial Health Network, September 2024.
[44] "Average Sales Price of Houses Sold for the United States," Federal Reserve Bank of St. Louis

2023.[45] All of this comes amid a punishing cost-of-living environment, as prior Frontiers research demonstrates.[46]

Is it any wonder, then, that debt is such a big concern? For the vast majority of people, major milestones once associated with a middle-class life, like buying a home and going to college, are only accessible through debt financing. People have historically viewed such debt as "good debt" – debt that will ultimately help create wealth or opportunity – but that perception may be changing.[47]

Attendees spoke of the deep sense of shame for a failure to achieve such milestones – and shame for not being able to shake off debt that accompanied them. Younger individuals may feel guilty about not being able to buy houses when their parents did, and those with debt may be struggling to pay it off.

4. Pessimism and Distrust

The high costs of living, heavy debt loads, and isolation appear to be contributing to a rising sense of pessimism about prospects for financial stability.[48] And in turn, this pessimism can lead to nihilism – if I'm never going to have enough, why even bother trying?

Taken together, these factors can foment distrust and resentment among generations and toward institutions. In this void, who "shows up" matters. For example, Gen Z's No. 1 source of financial information is TikTok – a place where some sources are reliable, but many are not. Event participants spoke of the predominance of payday lenders in lower-income communities, offering small loans at exorbitant costs. They also discussed the prevalence of online scams, the risk of gambling addictions, and influencers peddling get-rich-quick schemes. In an environment of distrust and isolation, misinformation, predatory activity, fly-by-night investments, and scams can flourish.

In today's world, we are inundated with an overwhelming amount of information – some of it valuable and some misleading. We need to make sure that we disseminate accurate information with clarity and precision, effectively cutting through the noise while respecting diverse perspectives and avoiding a paternalistic approach.

– Carolina Souza, Director of Global Social Impact and Business Innovation, Prudential Financial

[45] Hannah Gdalman, MK Falgout, Necati Celik, & Megan Greene "FinHealth Spend Report 2024," Financial Health Network, August 2024.
[46] Meghan Greene & Lisa Berdie, "Financial Health Frontiers: Households Under Financial Pressure," Financial Health Network, September 2024.
[47] For example, see: Meghan Greene, Andrew Warren, & Jess McKay, "The Gender Gap in Financial Health," Financial Health Network, July 2022.
[48] See: K. Jeremy Ko, PhD, Olivia Valdes, PhD, Ritta McLaughlin, & Gary R. Mottola, PhD, "How Gen X Compares Financially to Other Generations: Doing Alright but Feeling Bad," FINRA Investor Education Foundation, October 2024, and Meghan Greene & Lisa Berdie, "Households Under Financial Pressure," Financial Health Network, September 2024.

A New Way of Thinking About Financial Health Across Generations

We offer this analysis not to lead readers to despair but to serve as a launching point for a new financial health lens – one rooted in families' intergenerational experiences. Along with shared challenges, event participants surfaced several ideas in our conversation that would benefit and ease the financial strain within and across generations. These ideas are affirmative – and achievable – if we reorient toward thinking about the interconnectedness of financial health and approach solutions holistically.

Designing More Tools To Help Families Manage Money Together

There are many ways in which families manage their finances intergenerationally. One of the most obvious – and most fraught – is when families are managing financial interdependence, like when young adults are starting to, but not fully, emancipating from the financial oversight of their parents, or when aging adults are relinquishing some control to their family and/or caregivers. Often, families seeking to manage money through these circumstances are generally limited to drastic interventions, such as taking power of attorney for an aging parent. Participants discussed the need for a wider range of options that support intergenerational financial management while upholding privacy and security.

This could take a number of forms, from "trust buddies" who can help individuals keep spending on track to software solutions that can help people avoid purchases in certain categories for themselves or loved ones. A range of fintechs have emerged to meet this need, including Greenlight, which offers a platform for young people to save, and TrueLink, which serves people with complex needs and their caregivers. Additional tools could focus on fraud by helping families navigate and avoid scams, which affect all generations. While older adults are more likely to fall victim to tech support scams and family and friend imposters, younger adults are more likely to report experiencing online shopping and investment scams.[49]

> *We could continue to have the retirement conversation, and the student loan conversation, and the homeownership conversation, separately – but there's value in talking about these together, because that's how families operate.*
>
> – Adeeb Mahmud, Chief Program Officer, Financial Health Network

[49] "Who experiences scams? A story for all ages," Federal Trade Commission, December 2022.

Developing Solutions That Offer New Pathways Toward Security

We know that starting out on a strong financial footing is important and that saving early can pay off significantly later in life.[50] The most prominent tool for building wealth at young ages, presently, are 529 college savings accounts. But research has found that such accounts disproportionately benefit families who are already well off.[51]

As such, many innovators and advocates are exploring avenues to support additional mechanisms for early wealth building that are progressive – meaning more heavily geared toward children in low-income and low-wealth families. Participants discussed the need for flexible wealth building products, some available at birth, that can allow participants to save for multiple purposes without complicated penalties. Newly created Trump Accounts, if designed to incorporate best practices, could be one mechanism for supporting wealth building at birth[52]; in the bounds of the current structure, however, analysis shows that Trump Accounts are likely to be regressive and offer less attractive features than other existing savings vehicles.[53, 54, 55]

The design of the products people use to save shapes the short-term and long-term financial health impacts of their savings behavior. When positioned equitably and embedded into community networks and employer benefits programs, 529s can be reimagined as engines for intergenerational opportunity, in addition to savings tools for the already advantaged.

– Angela Williams, Director, Government Savings, Ascensus

In light of the barriers to homeownership – and the resulting constraints on wealth-building – some event participants also identified opportunities to support the financial well-being of renters, which make up one-third of U.S. households. As one example, Minneapolis offers a refundable tax credit to ease housing costs for renters.[56] Another promising practice is to include rental payments in credit

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[50] Karen Biddle Andres & Jason Ewas, "The Case for Early Wealth Building Accounts," Aspen Institute, February 2023.
[51] Richard V. Reeves & Nathan Joo, "A tax break for 'Dream Hoarders': What to do about 529 college savings plans," The Brookings Institution, June 2017.
[52] Established by the One Big Beautiful Bill Act 2025, Trump Accounts are modified individual retirement accounts, with particular contribution and distribution requirements. In the pilot program, citizen children born between 2025 and 2028 can receive $1,000 in their account. How the accounts are designed and implemented within the constraints of the law will have implications for how the accounts benefit account holders. For more discussion, see: Jason Ewas, Karen Biddle Andres, KC Boas, & Ray Boshara, "Trump Accounts Are Here—Now Let's Make Them Work for the Kids Who Need Them Most," Aspen Institute, July 2025.
[53] Ashlea Ebeling, "'Trump Accounts' for Kids Come With $1,000—and Tax Complications," The Wall Street Journal, July 2025.
[54] Mark J. Warshawsky, "Trump Accounts for the People?," American Enterprise Institute, July 2025.
[55] Madeline Brown & Amalie Zinn, "Without Clear Guidelines, Trump Accounts Would Mostly Benefit Already Wealthy Families," Urban Institute, May 2025.
[56] Haleigh Sinclair & Nan Madden, "Transformational changes to the Renter's Credit are coming in 2025," Minnesota Budget Project, January 2025.

data, which can help people build credit.[57] This joins other practices in leveraging alternative data and affordable small dollar loans to help people build credit, which can help people access debt at lower rates, making debt easier to manage and opening doors to milestones like homeownership.

Fostering Environments That Support Better Financial Decision-Making

The vast array of financial options can create choice overload, cause people to make decisions counter to their financial well-being, or even lead them to avoid making a decision altogether.[58] These factors can be especially acute for people operating in conditions of scarcity, who are continually tasked with difficult financial trade-offs.

Behavioral science has shown us the power that design can have in fostering good decision-making. There is much that can be done from a design standpoint to help minimize people's sense of overwhelm and support positive choices. Auto-enrollment, auto-escalation, and auto-portability of 401(ks), for example, has been proven effective in increasing retirement savings.[59,60] Several states have created state-facilitated retirement plans, expanding access to workers who may not have access to retirement benefits through their employer, and enabling retirement plan portability.[61]

People also need easy ways to make good decisions on their day-to-day financial management. For example, research has demonstrated that people "anchor" on minimum credit card amounts, suggesting that adjusting minimum credit card payments could save borrowers money in the long run.[62,63] This is already being put into practice: the Consumer Financial Protection Bureau notes that the most common fixed floor payment on credit cards was $35 in 2023 – up $10 from 2015.[64] Mechanisms that allow people to see what's "safe to spend" and to clearly envision how savings can grow over time are also valuable. Some companies are even leveraging rewards to incentivize payments, including Debbie which incentivizes loan repayment with points, and Bilt, which rewards users for rent payment.

[57] Brett Theodos, Daniel Teles, & Sam Lieberman, "Evaluating Rent Reporting as a Pathway to Build Credit," Urban Institute, June 2025.
[58] "Choice Overload," ideas42.
[59] Hannah Gdalman, Riya Patil, Zaan Pirani, & Heidi Johnson, "Behavioral Design Guide: A Financial Health Approach to Employer-Sponsored Retirement Savings Plans," Financial Health Network, September 2024.
[60] "Auto Portability Research & Simulation: Automating Plan-To-Plan Transfers for Small Accounts," Employee Benefit Research Institute, June 2016.
[61] John Iekel, "Four States Consider Auto-IRA Programs," Plan Sponsor Council of America, February 2025.
[62] Jennifer Tescher & Corey Stone, "Revolving debt's challenge to financial health and one way to help consumers pay it off," The Brookings Institution, June 2022.
[63] Hannah Gdalman, Heidi Johnson, & Zaan Pirani, "Behavioral Design Guide: A Financial Health Approach to Credit Card Products," Financial Health Network, May 2023.
[64] "The Consumer Credit Card Market," Consumer Financial Protection Bureau, October 2023.

Offering Verified Guidance via Messengers and Platforms People Trust

Of course, people need sources of information they can trust. But often those with verified information – think government sources, financial literacy programs, financial institutions – are the most staid in their communications. People are thus more likely to turn to engaging and powerful media like TikTok for information and education. **Reliable sources need to use channels and messaging that are powerful enough to counteract predatory messaging and false or harmful narratives.** One positive benefit of social media, however, is that it seems to be dismantling the stigma around discussion of finances – potentially opening doors for more honest conversations.

> *A recurrent issue is trust: So many communities lack faith in existing institutions, and this contributes to the feeling of isolation. In this environment, who shows up matters. Are banks and credit unions putting in the time to develop trust with diverse communities?*
>
> – Dr. Ray Serrano, Director of Research & Policy, League of United Latin American Citizens

Participants also discussed a role for individual education. Presently, half of states mandate financial education courses and thousands of curricula exist, though many have been shown to be ineffective.[65] In fact, financial literacy measures are lowest among Gen Z, despite this group being the generation most likely to have participated in a financial education class or program.[66] Rather than continuing to create financial literacy curricula, participants focused on the need to better understand what works – and, critically, what doesn't work – in existing resources. Participants also suggested expanding financial coaching by tailoring it around different communities' needs, potentially by leveraging the power of AI.

A New World Order Demands Broader Thinking

It's hard to capture fully just how fundamentally household finances have changed in recent generations. The financial world that people have to plan for now is vastly different and more complicated than the one that earlier generations inhabited. Credit cards only became mainstream in the 1970s and 1980s. Women have only been able to obtain credit without male co-signers since The Equal Credit Opportunity Act passed in 1974, and later in the decade, the act's nondiscrimination protections were expanded to include communities of color. The 80s brought the

[65] For an example of a financial education program, see: "Jump$tart Clearinghouse," Jump$tart Coalition for Personal Financial Literacy.
[66] Paul J. Yakoboski, Annamaria Lusardi, & Andrea Hasler, "Financial literacy and well-being in a five generation America," TIAA Institute & Global Financial Literacy Excellence Center, October 2021.

401(k) revolution, and student debt exploded in the 1990s and 2000s.[67, 68, 69] These factors, coupled with today's vast technological change and shifts in nature of work, have fundamentally altered our relationships with money. These changes demand that we reassess our current norms and expectations and better understand the context in which people are making financial decisions.

> *As families navigate their finances across different life stages, we know that choices large and small can impact a household's long-term prospects for financial stability and economic opportunity. From how families structure their day-to-day finances, to how they invest in children's education and support aging parents, developing intergenerational solutions that account for the whole family can create pathways for financially healthy futures.*
>
> – Brandee McHale, Head of Citi Community Investing & Development and President of Citi Foundation

One thing is abundantly clear: No amount of budgeting and good financial decision-making can solve for systemic challenges. Building financial health for all means thinking systemically, including about how family systems shape finances. We have to stop expecting individual people to solve systemic failings – and cast blame when they can't.

Instead, we need solutions that meet people – and families – where they are. For many people, that context is an intergenerational one, colored by concerns for loved ones old and young. Rather than addressing issues in a vacuum, the truth is that supporting the financial security of one generation will support the well-being of others. **By recognizing our interdependence and broadening our aperture beyond the needs of specific generations, financial institutions, policymakers, employers, and advocates can design a better financial future for all.**

[67] Jessie Kratz, "On the Basis of Sex: Equal Credit Opportunities," National Archives, March 2023.
[68] "Report to the Congress on Practices of the Consumer Credit Industry in Soliciting and Extending Credit and their Effects on Consumer Debt and Insolvency," Board of Governors of the Federal Reserve System, June 2006.
[69] Rita R. Zota, "A Snapshot of Federal Student Loan Debt," Congress.gov, February 2025.