

THE NEW WEALTH AGENDA

EXECUTIVE SUMMARY

Introduction

Among the truly urgent crises facing the United States is widespread household financial insecurity. A stunning 51 percent of U.S. households have expenses that are at least equal to—if not greater than—their income, and 55 percent lack the necessary savings to weather a simultaneous income drop and expense spike.ⁱ Such financial precarity represents real systemic risk to our nation's well-being. There is not only the obvious danger of increasing numbers of people who cannot cover their basic needs, but also the risk of large-scale disenfranchisement that can undermine the foundations of our democracy and entrenched inequality that can put an end to the American legacy of intergenerational mobility.

To effectively address the financial precarity engulfing millions of U.S. households, we need a bigger, bolder, and more coordinated response. We need a north star that can serve as the primary organizing principle for all the great work on financial security that is happening across the nation, and that will galvanize more people to think and act more ambitiously. And we need to chart a path toward that north star goal—specific, tangible, and measurable objectives toward a future where everyone has enough wealth to maintain financial stability and resiliency, invest in their family's well-being, and participate fully in society, the economy, and our democracy. In other words, we need a New Wealth Agenda.

The New Wealth Agenda

Aspen FSP offers a New Wealth Agenda centered on this proposed north star: **By 2050, we must increase by ten-fold the wealth of households of color and those in the bottom half of the wealth distribution in the United States.** We have identified this goal in response to our analysis of work by scholars and practitioners around the country, as well as our own research, and have pinpointed eight objectives that we believe are the most effective, most promising, and in some cases the most practical path forward for reaching it. We believe that these eight objectives constitute a New Wealth Agenda, and that it is *the investment in and the interaction of a combination of solutions across systems and sectors* that have the strongest potential to drive inclusive wealth creation at scale. The objectives work together and support each other to foster household financial stability, expand and scale proven wealth-building strategies, and explore emerging innovations that can build and protect wealth—particularly in low-wealth households and households of color.

Inside The New Wealth Agenda

A stunning **51%** of U.S. households have expenses that are at least equal to—if not greater than—their income, and **55%** lack the necessary savings to weather a simultaneous income drop and expense spike.

From page 1 of [The New Wealth Agenda](#).

ⁱ Aspen FSP calculations of data from the Federal Reserve Board 2019 Survey of Consumer Finances and Federal Reserve Board 2022 Survey of Household Economics and Decisionmaking.

Part One: Preconditions For Building Sustainable Wealth

A precondition of sustainable wealth-building is household financial stability, characterized by routinely positive cash flow, little—if any—harmful debt, an ability to build financial cushions, and access to quality public and workplace benefits that protect against extraordinary shocks. Absent this foundation, households will struggle to build and maintain wealth. Thus, The New Wealth Agenda begins with objectives to foster these preconditions at scale.

OBJECTIVE #1



Financial Stability and Resilience

Objective: By 2050, all households will earn enough in income and benefits to have routinely positive cash flow, which allows them to meet immediate needs, prepare for emergencies, and amass investable sums of money.

Impactful, evidence-based solutions:

- *Provide guaranteed income*
- *Reduce the costs of dependent and family care*
- *Remove or reform asset limits and benefit cliffs in public assistance programs*
- *Offer automatic enrollment into matched, short-term savings accounts*
- *Integrate emergency savings accounts into existing workplace retirement plans*
- *Raise the federal minimum wage to \$15 per hour*
- *Support labor organizing and worker power*
- *Promote competition in the labor market*

OBJECTIVE #2



Debt Resolution

Objective: By 2050, households will rarely be burdened by debts that undermine their financial stability and well-being—especially medical and student loan debt—and struggling borrowers will be able to resolve their debt or otherwise have it removed without permanently damaging their ability to build wealth.

Impactful, evidence-based solutions:

- *Forgive at least \$30,000 of federal student loan debt for nearly all borrowers*
- *Increase the requirements for creditors to initiate a collections lawsuit*
- *Support borrowers' ability to defend themselves when sued by creditors*
- *Ensure judgements don't permanently damage debtors' financial security*
- *Grow and strengthen nationwide health insurance systems*
- *Require greater levels of charity care*
- *Limit the amount of medical debt that can go to collections*
- *Reform income-driven repayment plans*
- *Grow government investments in public institutions of higher learning and career training*
- *Guarantee all students up to 4 years of free tuition at public colleges and universities*
- *Increase the size of federal Pell Grants*
- *Increase federal agencies' mandate and capability to supervise and enforce debt collection and litigation laws*

Why Are Some Solutions *Italicized*?

Aspen FSP is enthusiastic about the need for each of the solutions we've carefully chosen to include in The New Wealth Agenda. To fully realize our north star, leaders across sectors are needed across all solutions. Those indicated in italics are the particular solutions that align with FSP's portfolio of work and expertise and thus are the solutions where we are initially channeling our efforts.

Part Two: Proven Wealth-Building Strategies in Need of Greater Scale and Refinement

We believe strongly that the financial security field already has developed proven solutions to sustainable wealth creation for families with low incomes. Now, the urgent need is to scale and refine those solutions to serve more households, as outlined in our next four objectives.

OBJECTIVE #3



Startup Capital for Life

Objective: By 2050, all young adults have financial assets in the tens of thousands of dollars that can serve as a foundation for lifelong saving and investing, and be used to invest in a variety of wealth-building endeavors.

Impactful, evidence-based solutions:

- Create, seed, and grow investment accounts at birth
- Adopt critical account features including universal eligibility, automatic enrollment deposit, progressive additional deposits, and restricted withdrawals

OBJECTIVE #4



Wealth-Building Career Pathways

Objective: By 2050, everyone will have the opportunity to receive career- and wage-boosting post-secondary education and training without incurring burdensome debt.

Impactful, evidence-based solutions:

- Grow government investments in public institutions of higher learning and career training
- Guarantee all students up to 4 years free tuition at public colleges and universities
- Increase size of federal Pell Grants
- Reform income-driven repayment plans
- Withhold federal financial aid from institutions whose students have poor employment outcomes
- Increase investment in registered apprenticeship programs
- Make need-based, non-loan federal financial aid available to participants in registered apprenticeships and certified vocational trainings programs that meet quality standards

OBJECTIVE #5



Equitable Homeownership

Objective: By 2050, regardless of their race or ethnicity, gender, health or disability, every renter who wants to buy a home will have real opportunities to do so; borrowers will be equally able to secure affordable mortgages; and homeowners will be able to sustain homeownership and comparably able to accrue home equity and wealth.

Impactful, evidence-based solutions:

- Invest in construction of new rental housing at all price points through zoning reform and financial investments
- Preserve existing lower-cost rental housing
- Guarantee that all eligible households receive federal housing assistance and connect to HUD's savings programs
- Eliminate illegal steering and exclusion of people of color away from high-quality housing and neighborhoods of opportunity
- Build millions of starter homes for sale through zoning and land use reforms
- Ensure that homebuyers of color have fair access to mortgage credit that meets their needs through special purpose credit programs, small dollar mortgages, and other specialized financing tools
- Increase the scale and generosity of down payment assistance for first-time homebuyers and homebuyers of color
- Eliminate discrimination within sectors involved in home buying and valuation

Inside The New Wealth Agenda

The rate of first-time homebuyers declined from **50%** of all home purchases in 2010 to **26%** in 2021.

From page 22 of [The New Wealth Agenda](#).

OBJECTIVE #6



Retirement Security

Objective: By 2050, everyone, regardless of employment arrangement, will have funded and user-friendly retirement accounts that enable them to meet their goals in retirement and pass down wealth to their families and communities.

Impactful, evidence-based solutions:

- *Require automatic enrollment into all retirement accounts*
- *Pair emergency savings with retirement accounts*
- *Mandate auto-escalation of minimum contributions and employer matches*
- *Ensure retirement accounts are portable*

Part Three: Emerging Innovations

Through our research and analysis, Aspen FSP has identified two areas where emerging innovations have the potential to meaningfully assist individuals to build and protect wealth—particularly households of color and those with limited, if any, net worth. Specifically,



OBJECTIVE #7 Shared Ownership

Strategies in business, real estate and other markets—including Employee Stock Ownership Plans, Worker-Owned Cooperatives, Community Land Trusts, and cooperatively owned housing developments, among others—hold great promise for helping low-wealth households to build and/or diversify their assets. They are also promising tools for enhancing assets in neighborhoods of color. Additionally,



OBJECTIVE #8 New Strategies to De-risk Investment and Protect Household Wealth

could create crucial opportunities to earn private market rates of return for individuals who simultaneously could most benefit from the financial upside and are least able to risk the financial downside. Likewise, most low-wealth households with assets are underinsured and need better forms of wealth protection.

Conclusion

At Aspen FSP, The New Wealth Agenda is a source of hope—proof that we have a set of proven solutions and innovations that move beyond merely managing household financial scarcity to creating the conditions of security and well-being that will enable full participation, agency, and dignity in both our economy and our democracy.

We consider this New Wealth Agenda a catalyst for the ambitious work to come, for a future in which we all think bigger and call for more urgency and more creativity. And so, we offer these ideas to our colleagues and peers, to the innovators and out-of-the-box thinkers and to anyone else who cares about the well-being of our nation. It is an invitation, or perhaps a proverbial thrown gauntlet, or maybe even a plea. Please join us by digging into the full New Wealth Agenda paper, bringing your expertise and creativity to sharpening this agenda. [Share with us](#) your additional strategies, approaches, and ambitious goals. And commit your leadership to align our resources toward a common goal, and to grow the community of people who believe that they have a role in solving the problem of household financial insecurity. We have to start now.

Inside The New Wealth Agenda

Investigate the eight objectives in our full report, [The New Wealth Agenda](#), to see how together, we can increase by ten-fold the wealth of households of color and those in the bottom half of the wealth distribution in the United States **by the year 2050.**