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Younger Families Lost the Most Wealth From the Recession

Percentage Losses In Mean Net Worth 2007-2010

Source: Survey of Consumer Finances
HDM: Historically Disadvantaged Minorities
WOM: White or Other Minority
Younger Families Have Been the Slowest to Recover Their Wealth

Unlike Middle-Age and Older Families, Younger Families Have *Lost* Wealth Since 1989

SOURCES: Federal Reserve Board's Survey of Consumer Finances, for all years between 1989 and 2010; our estimates for 2013:Q3.
Policy Options for Saving Early In Life

- “Roth Accounts for Youth Savings Act of 2014” or the “RAYS Act”: Allows kids to voluntarily own and save in Roths by extending earned income exemption to kids (now only applies to non-working spouses).

- ASPIRE Act: automatically creates and progressively funds a savings account at birth for every child in America to be used for post-secondary education, first-home purchase, and retirement.

- PLUS Accounts: $1,000 at birth for every child in America, along with mandatory employer contributions; funds locked up until retirement.

- 529 college savings plan innovations: a few states and local governments now create 529 accounts automatically at birth or when kids enter elementary school.

- “Early Pells”: Pell-eligible families would receive $100 to open a 529 college savings account when entering kindergarten, and then have their Pell Grant reduced by that amount when starting college.
## Why Starting to Save at Birth Pays Off

<table>
<thead>
<tr>
<th>Age Begin Saving</th>
<th>Initial Deposit</th>
<th>Annual Deposit</th>
<th>Rate of Return</th>
<th>Balance at Age 65</th>
<th>Difference</th>
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</thead>
<tbody>
<tr>
<td>25</td>
<td>$500</td>
<td>$250</td>
<td>5%</td>
<td>$35,229</td>
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<tr>
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