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Invest America, Baby Bonds and Bonuses

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“Working and Saving for the Generations Ahead” panel at the EBRI-Milken Institute Retirement Symposium suggests new solutions for growing generational wealth.

By Ocean Ouillette

With the year 2025 marking the beginning of the newest generation, Generation Beta, initiatives spearheading generational wealth growth are key. Innovative solutions such as the New Mexico Baby Bond program, “Invest America Account” and Beta Baby Bonus discussed at the “Working and Saving for the Generations Ahead” panel, hosted by the EBRI-Milken Institute Retirement Symposium, are leading the conversation.

The EBRI-Milken Institute Retirement Symposium: The Forces Transforming Retirement on March 11, 2025, convened high-ranking thought leaders in the U.S. retirement industry, including financial firm experts, employers, consultants, policymakers and regulators. Discussion ranged from what’s next in retirement to focusing on innovative solutions and potential policy and practice changes on the horizon.

The “Working and Saving for the Generations Ahead” panel at the symposium brought together leaders to discuss solutions to transform generational wealth growth. Laura M. Montoya, New Mexico State Treasurer, spoke with Rob Shapiro, senior adviser at the Milken Institute, and Lauren Palumbo, leader of Future Growth Initiatives at Prudential Financial. The conversation was moderated by Michael Piwowar, executive vice president at the Milken Institute.

Generation Beta Study and Beta Baby Bonus Program

Lauren Palumbo reported that Prudential Financial, in January of this year, released a study detailing predictions and financial solutions for the new generation, Generation Beta (born Jan. 1, 2025-Dec. 31, 2039). The study found that the new generation will experience a “radically different” world than today, according to Palumbo.

The study reported that 80% of surveyed prospective Generation Beta parents believe that they would ideally start saving for their child’s retirement from birth. In an effort to expand access to retirement security for this generation, Prudential also launched the Beta Baby Bonus program which grants a $150 “bonus” to each eligible child born on Jan. 1, 2025. This bonus has the potential to grow to approximately $100,000 by the time the child reaches age 70, according to the study.

New Mexico Baby Bond Program

Laura M. Montoya announced the New Mexico baby bond program (HB 7, SB 397) currently introduced in the New Mexico legislature. This program would grant $7,000 to each child born July 1, 2025, and after, until 2060.

New Mexico has one of the highest sovereign wealth funds in the U.S. and is also one of the poorest states in the country, according to Montoya. By granting this capital to New Mexican children, this program would be helping those who need it the most, Montoya stated. The proposed funds could be used in New Mexico toward the child’s education, housing, entrepreneurship and retirement. This program also includes a financial literacy component.

Montoya observed that there is a “disconnect” between current actions and future needs for generational wealth growth. Montoya asserted that this program would be an investment in the next generations of children and the New Mexico economy.

A baby bond pilot program is currently underway in New Mexico, spearheaded by the Partnership for Community Action.

Invest America Account

Rob Shapiro and Michael Piwowar introduced the paper “The Economic Impact of Invest America Accounts” which explores the impact of a universal government grant of $1,000 in an “Invest America Account” to every newborn American child. The $1,000 would be invested in a broad-based equity index of U.S. companies. Monte Carlo simulations suggest that the initial $1,000 would grow to an average of $574,000 after 60 years, according to the paper.

Similar to the baby bond program, the Invest America Account could be used toward the child’s education, a down payment on a home, or starting a business. Online financial literacy would be made available to Invest America account holders.

Shapiro said that this program could change the recipient's view of "their own future and what they can accomplish." However, the Invest America program would be "fairly trivial" for wealthier families, said Shapiro. He added that it is not expected that these families would contribute to their Invest America accounts because they are not tax-advantaged.

Although the question about programs such as the New Mexico Baby Bond program, "Invest America Account" and Beta Baby Bonus is often "What's the cost of this?" Laura M. Montoya instead asks, "What's the cost if we don't do this?"

View the recording of the panel here (starts at 5:07:30).