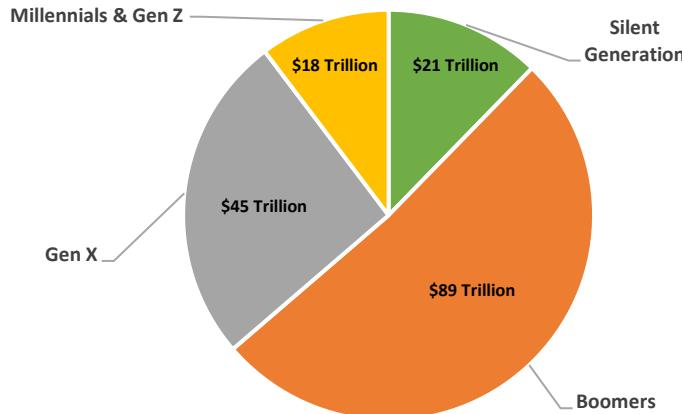


Briefing

- Because wealth compounds over time, older cohorts can end up owning a larger share of total wealth simply because they are older. Slower population growth exacerbates the phenomenon by causing the total wealth of younger generations to be less simply because there are fewer people in the younger cohorts (Figure 1).
- Average wealth exceeds median wealth because wealth is (mostly) bounded on the low side at zero but unbounded on the high side. This makes it much easier to find individuals with large positive wealth than it is to find individuals with large negative wealth. Because outliers influence averages but not medians, average wealth ends up being greater than median wealth (Figure 2).
- One generation can be richer than another because its individual members are richer, or because its members are more numerous. The average is better for comparing wealth across generations because it adjusts for differences in the number of people in each generation. The median is better for capturing the experience of the typical person within each generation.
- Based on demographics, mortality and wealth estimates, older generations could be leaving as much as \$3 trillion to \$4 trillion per year to younger generations for at least the next decade (Figure 3).

Chart of the Week: American Wealth by Generation

Total Wealth as of Q3 2025: \$173 Trillion



Source: Federal Reserve, Distributional Financial Accounts.

Commentary

The U.S. is just beginning the greatest wealth transfer in human history. The Silent Generation and Baby Boomers currently own more than \$100 trillion in wealth—much of it in housing, equities and other financial assets. Over the next several decades, they will leave this wealth to younger Americans and to charities.

Inter-generational differences in consumption and investing will cause the transfer to affect the economy in many ways. Older generations treat their wealth as savings. They live off the income the wealth generates and, on average, consume around 1% to 2% of the principle per year. But as the wealth transfers, young people will treat at least some of it as income, spending more of it than the older people would have. This will put upward pressure on economic growth and on inflation. Because younger people will retain less of the wealth as savings, it will also put upward pressure on real interest rates.

Homeownership rates are higher among older Americans. Many heirs will sell inherited homes rather than move into them, putting downward pressure on home prices. At the same time, cash inheritances and proceeds from the sales of inherited homes will increase housing demand, putting upward pressure on home prices. Which force will dominate is unclear. What is clear is that the volume of home sales will rise.

Snapshots

Figure 1. Shares of Wealth by Age Over Time

2005 2015 2025

In 2005, Americans aged 55 and older owned 61% of all U.S. wealth...

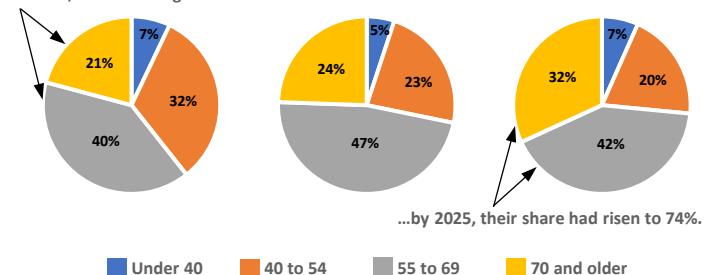


Figure 2. Wealth by Generation (Per Person)

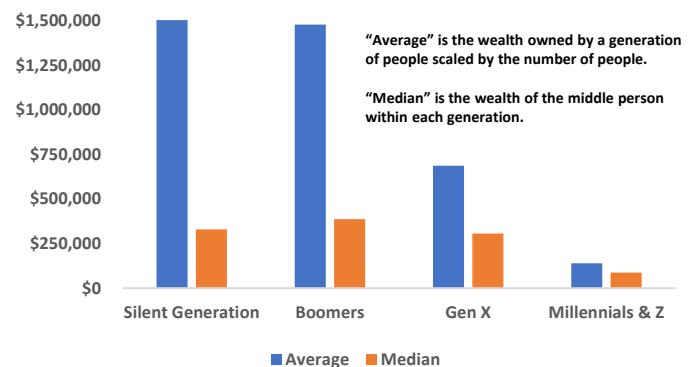
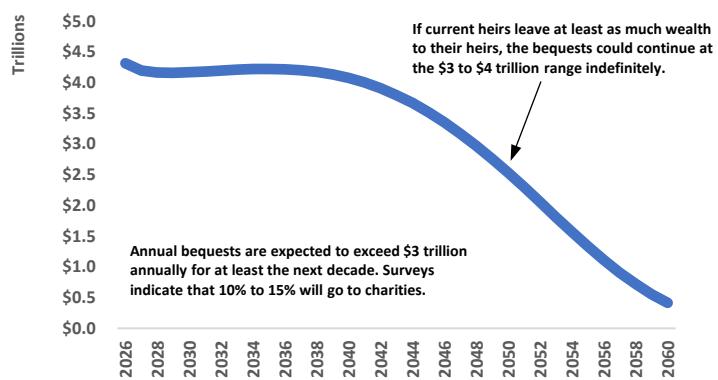


Figure 3. Expected Bequests from Silent & Boomer Generations



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Key Indicators

INTEREST RATES¹

	Current	Q1	Q2	Q3	Q4	2027
Fed Funds Target² (%)	3.75	3.75	3.50	3.50	3.25	3.25
SOFR (%)	3.68	3.36	3.22	3.15	3.12	3.08
2Y UST (%)	3.57	3.42	3.40	3.39	3.36	3.33
5Y UST (%)	3.84	3.66	3.66	3.67	3.67	3.67
10Y UST (%)	4.28	4.10	4.11	4.11	4.10	4.08
30Y UST (%)	4.90	4.69	4.68	4.67	4.65	4.64

ECONOMY

	Current	Q1	Q2	Q3	Q4	2027
PCE Inflation (YoY %)	2.8	2.7	2.5	2.3	2.3	2.2
CPI Inflation (YoY %)	2.7	2.8	2.6	2.5	2.4	2.3
Real GDP (QoQ %)	4.4	2.1	2.0	2.1	2.1	2.0
Unemployment (%)	4.4	4.6	4.6	4.5	4.5	4.5
Consumer Spending (QoQ %)	3.5	1.3	1.5	1.7	1.8	2.0
Industrial Production (YoY %)	2.0	0.9	1.0	1.2	1.5	1.5

Equities & Currency

	Current	Year ago	YoY Δ
DJIA	49,191	44,423	10.73%
Nasdaq	23,631	19,392	21.88%
S&P 500	6,976	5,995	16.37%
U.S. Dollar Index	\$1,190.75	\$1,309.79	(8.94%)

Commodities

	Current	Year ago	YoY Δ
Crude Oil (Per Barrel)	\$62.38	\$73.16	(14.72%)
Natural Gas (Per MMBtu)	\$3.56	\$3.41	4.46%
Coal (Per Short Ton)	\$11.75	\$11.57	(0.84%)
Gold (Per Ounce)	\$4,678.60	\$2,813.80	65.66%
Corn (Per Bushel)	\$4.25	\$4.89	(13.09%)
Soybean (Per Bushel)	\$10.61	\$10.58	0.22%

Industry

	Current	Year ago	YoY Δ
Natural Gas Storage (Billion Cubic Feet)	2,823	2,617	7.9%
U.S. Daily Power Consumption (MWh)	13,777,021	11,854,890	
World Container Index (Per 40ft)	\$2,107	\$3,445	(38.84%)

¹ Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.

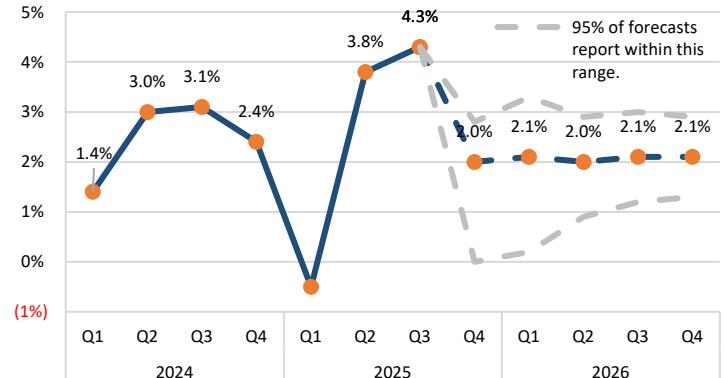
² Target rate forecast is based on futures market contracts.

Source: Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Trading Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.

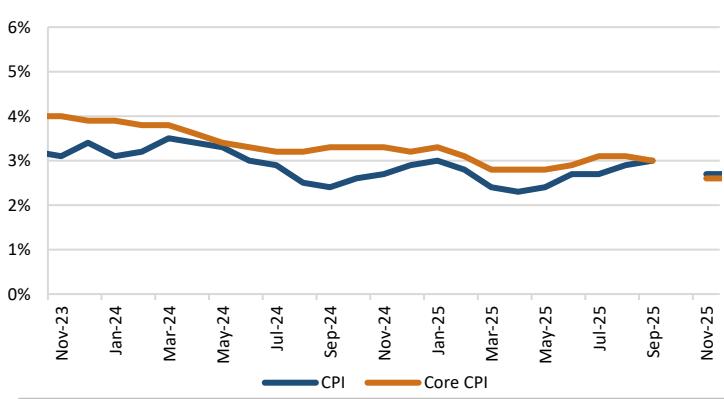
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Forecasts

Real GDP Growth Trend



Headline vs. Core Inflation



10-Year US Treasury vs. Fed Funds Trend

