FAMILY AND FINANCIAL WELL-BEING

Young Adults' Perspectives on Wealth Building

The Desire for Financial Stability First

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Young Adults' Perspectives on and Experiences with Wealth Building

Young people in the US are losing faith in our economy and trust in our institutions as day-to-day costs rise and financial milestones feel further and further out of their reach. What wealth-building goals are young adults aspiring to? Are they traditional goals of higher education, homeownership, small business ownership, stock investments, and a retirement account? Understanding the financial milestones young adults strive toward and the barriers they face is critical for practitioners and policymakers working to expand opportunity for all.

To explore young adults' wealth-building goals and the barriers to achieving them, we conducted in-depth interviews with 16 young adults (ages 18 to 24) from across the US with low to moderate incomes. The interviews revealed the barriers to—and goals of—young people building their futures.

- **Financial stability and independence** are key goals for young adults in the short term, but they face challenges. Young adults described difficulties navigating the affordability crisis, adjusting to artificial intelligence, and getting on the career ladder for a high-quality role that pays the bills. Some young adults were able to live with family to ease these economic pressures.
- **Homeownership and higher education** remain core to young adults' long-term wealth-building plans, but again, they articulated barriers to successfully completing these goals. Many young adults described feeling little agency and control over some of the challenges they faced, including affording homeownership and higher education, long-term career stability and planning, and changing student loan policies and job opportunities that affect their long-term financial planning.
- Young adults saw **credit and debt** as necessary to pursuing their long-term wealth-building goals, given the high costs of homeownership and higher education. Most expressed feeling hesitant and anxious about debt burdens, though some reported little anxiety, even while holding debt.
- **Detailed, timely, and trusted financial knowledge** was key to young adults feeling comfortable pursuing their wealth-building goals, and they described wanting relevant information once they have the economic resources to invest.

This report highlights young adults' wealth-building goals and barriers in their own voices. We first provide background on youths' earnings, costs of living, and debt. We then describe the methods used for the in-depth interviews. Next, we present our findings on young adults' wealth-building goals, barriers to establishing the financial stability they want in the short term, and barriers to pursuing their long-term wealth-building opportunities. Our findings suggest policy and practice opportunities to address barriers to stability and wealth across young adults' financial lives, including supporting young adults' employment outcomes, access to quality credit while minimizing debt burdens, college access and student debt reform, housing affordability for renters, financial capability and knowledge, and asset accrual through early wealth building, homeownership, and retirement.

Youth Financial Stability in 2025

National statistics provide context for how young adults think about their financial stability and wealth-building goals. These data show that young adults face difficulty in the job market and increasing prices for daily necessities, which contribute to delinquent debt and make it more challenging for them to gain their financial footing.

Young adults have experienced challenges getting high-quality jobs that pay a living wage, which is essential to establishing financial stability. In September 2025, the unemployment rate for young workers (ages 22 to 27) was 7.1 percent, meaning they were looking for work without finding it. The unemployment rate was slightly lower for recent college graduates at 5.8 percent, though still well above the 4.1 percent rate across all workers.[1] Unemployment rates for young adults 22 to 27 have been increasing since lows in June 2023 of 5.9 percent but still remain below peaks seen after the Great Recession in 2008 and the COVID-19 pandemic recession in 2020. Vacancies for entry-level job postings have dropped 29 percentage points since January 2024.[2] This means that many young job applicants are competing for fewer opportunities.

At the same time, many young adults are turning to gig work, with one in four taking on gig work at some point in the past year (Federal Reserve Board 2025). However, these workers experience greater financial instability than young adults who did not engage in gig work: one in three felt worse off financially than they were last year.[3] Gig and alternative-work employees face additional material hardship without access to full-time employee benefits, such as health insurance, paid time off, and worker protections (Karpman, Loprest, and Hahn 2022).

Employed young adults have experienced slower earnings growth than older adults but endure the same affordability crisis. Earnings increased only 3.83 percent from 2000 to 2024 for workers ages 16 to 24 as compared with 6.09 percent for ages 25 to 54.[4] Meanwhile, prices for necessities like rent and groceries have risen faster than earnings since 2017. While average earnings of all adults have grown 38 percent nationwide since 2017, the cost of rent has increased 50 percent, and since 2019, grocery costs have increased 32 percent.[5] Further, the rent-to-income ratio has increased substantially across generations, with Generation Z projected to spend nearly half of their income on rent in their twenties, more than prior generations (45 percent for millennials, 41 percent for Gen X, and 36 percent for baby boomers).[6]

For adults with low incomes, price increases for basic necessities can be challenging to absorb, as they spend a greater proportion of their income on these costs. The lowest quintile of households spends nearly one-third of their after-tax income on food, far more than the highest-income quintile does, at 8.1 percent.[7] Amid these high costs, over half of young adults ages 18 to 24 live with family (Hemez, Washington, and Kreider 2024). Although fewer young adults live with family today than at the height of the COVID-19 pandemic, rates of young adults living with family have increased precipitously over the past two decades.[8] But costs have risen not only for basic expenses but also for homes—purchase prices have increased an astounding 80 percent since 2017,[9] making a key wealth-building goal feel out of reach for many young people.

Young adults have struggled to meet their financial obligations. In 2023, nearly one in five young adults ages 18 to 24 paid for groceries with a credit card and did not pay the bill off in full, taking on debt to afford their basic needs (Martinchek and Gonzalez 2024). After historic lows in 2021, young adults' credit card and auto delinquencies today exceed pre-pandemic levels: 16 percent of young adults had debt in collections on their credit reports in August 2025.[10] At the median, young adults had $1,415 in collections, about 3.4 percent of their incomes.[11] In addition, over one-third of young adults have used buy now, pay later options (BNPL), with half of these consumers reporting overspending, missing a payment, or regretting a purchase they made with BNPL.[12] While taking on debt can help young adults weather income disruptions or unexpected expenses, carrying unpaid unsecured debt, especially at high interest rates, can undermine consumers' financial well-being and future financial stability.

Challenges in job stability, affordability, and debt burdens shape young adults' ability to achieve financial stability. A key component of cultivating resilient financial stability is building savings and wealth. Wealth helps families cushion against shocks, reduces anxiety, and allows people to plan for the future. Research shows that wealth inequality in the US far exceeds income inequality and is growing, shaping life chances across generations.[13] Without policies that help young adults accumulate wealth, we risk perpetuating a cycle in which people can meet basic needs but never achieve lasting security.

Study Methods

This report draws on in-depth interviews with 16 young adults ages 18 to 24 on their financial experiences and wealth-building goals. Our goal in these interviews was to surface how young people felt about their wealth-building progress and prospects and we asked the following questions:

- What wealth-building pathways feel possible and probable for young adults with low- and moderate-incomes, and why?
- What barriers and opportunities exist for them in establishing their financial stability?
- What barriers and opportunities exist for them in pursuing, accessing, and using their desired wealth-building pathways?

Each interview lasted 45 minutes and covered young adults' short- and long-term financial and career goals, their current financial situations, confidence in their financial futures, experience with debt and credit, access to and experience with assets and investments, challenges to building wealth, opportunities they saw for building financial stability and wealth, experiences learning about finances, and areas in which additional policies and programs could support their financial stability and wealth.

We collaborated with Young Invincibles, a national nonprofit advocacy organization focused on amplifying the voices of young people, to invite a broad range of young adults to interview. All interview participants were between ages 18 and 24 and had low to moderate incomes (with 70 percent of interviewees earning below $16,000 and an upper bound of $65,000), with a range of educational attainment, employment statuses, incomes, demographic characteristics, and locations across the US. Because we select a purposive sample of low- and moderate-income young adults engaged in leadership opportunities, these insights are not intended to be nationally representative, but to reflect the experiences young people face today.

This report summarizes insights from these conversations that capture the types of wealth-building goals low- and moderate-income young adults aspire to and the complex challenges and opportunities they face in both establishing financial stability and pursuing wealth-building opportunities.

For more information on methodology, see the appendix.

Young Adults' Perspectives on Financial Stability and Wealth Building

Young adults today face unique circumstances that shape their financial stability and potential wealth-building pathways. In this section, we summarize the following qualitative insights from stories shared in our interviews:

- Long-term and short-term financial and wealth-building goals
- Challenges to establishing the financial stability that sets the stage for wealth building
- Challenges for young adults in developing wealth

These insights provide a rich narrative about how young adults with low and moderate incomes think about their financial futures and the barriers that may keep them from financial stability and upward mobility.

Young Adults' Wealth-Building Goals

The stories young adults shared illuminate their challenges and opportunities in building wealth and can inform the policies and programs that may be best suited to addressing the current moment.

In the Short Term, Young Adults Want to Achieve Financial Stability

Many young adults said that over the next few years, they were most interested in establishing their financial stability. For them, this meant securing jobs with living wages so that they could live independently and cover day-to-day expenses comfortably. In articulating this goal, many young adults mentioned steep barriers, many external and out of their control, that they faced establishing stability. Given these challenges, many young adults framed their goal of financial stability as needing all their attention and resources in the near term. In the future, they hoped they would have more space to consider wealth-building opportunities.

> **"I took some time off of college because I wanted to save money for when I wanted to go to law school. And the reality is I'm not even saving anywhere near [what] I would have wanted to. It sucks because I'm living paycheck to paycheck."**
>
> *—Young adult*

> **"Trying to be independent and also build wealth is something that is really hard to do."**
>
> *—Young adult*

"Traditional" Wealth-Building Goals for Homeownership and Higher Education Remain Core to Young Adults' Future Wealth-Building Plans, but They Noted Challenges

Although many young adults remained focused on financial stability in the short term, many described an interest in pursuing wealth-building opportunities once they felt financially secure and had the financial resources to devote to investments. Many of the young adults we spoke with named traditional wealth-building goals, such as pursuing higher education and homeownership, as the goals they were most interested in. At the same time, they had substantial concerns about their ability to achieve these goals amid a range of challenges, including the affordability of education and homeownership, job security and stability, student loan debt uncertainties, among others. As a result, many young adults mentioned that it would take them 5 to 10 years to make these goals a reality.

> **"Goalposts move so often in our society. But…if I have a house, I feel like that would be enough. A house and enough money to pay a mortgage for a house and not worry about having to pay it off. I think that would be a pretty good indicator that I'm in a…stable enough financial situation."**
>
> *—Young adult*

> **"The most immediate [goal] is law school, so grad school. That was one of my big goals, was to be able to save up enough to at least cover cost of living for maybe, like, two years. That was the big goal."**
>
> *—Young adult*

Young Adults Want Agency over Their Financial Futures and Despite Challenges, See Holding onto Hope as a Way to Keep Making Progress Toward Goals

Across our conversations with young adults about their long-term and short-term financial goals, we heard interviewees emphasize challenges about feeling in control of their financial futures. Many young adults described barriers to their financial goals outside their control, such as external challenges of affordability, availability of opportunities, and economic pressures that made it challenging for them to feel agency and control over their ability to accomplish their goals. Several young adults mentioned how hard it was to predict changes in the job market, AI, and other domains that could affect their lives, making it much more difficult to plan for and mitigate potential challenges. Young adults expressed degrees of stress over external dynamics that they felt they had little power to buffer or change.

> **"The days where I actually start looking for jobs again…I'll shut my laptop and [hope] tomorrow is better, or hopefully next week it's better. Then it accumulates [to the point] where I don't know what's going to happen."**
>
> *—Young adult*

> **"I'm hopeful, but it's hard to not be discouraged in the day to day, when you're applying to jobs, not hearing back or hearing rejections. You're like, am I going to make it out of here?"**
>
> *—Young adult*

> **"I feel like the system…it's not made for people to build wealth from the bottom up, is what I believe. It's just a system that is…mostly created to make the rich people richer, and that is just…a system, a society that we have been born into. So, in order to get any sort of wealth in the system, I feel like you have to go above and beyond."**
>
> *—Young adult*

Many of the young adults we interviewed expressed uncertain or negative feelings about their future financial trajectories. Several interviewees reported feeling frustrated with their current financial circumstances. For some, the challenges they experienced in establishing financial stability were tied to stress and anxiety about what their financial future might look like. Again, they noted a lack of control over the challenges they faced in achieving their planned financial goals.

> **“Am I going to be able to buy a house? Am I going to be able to set up a fund for my kids’ college? Am I going to be able to afford those things? Even as someone who has a degree and will hopefully have an advanced degree, will we even be able to make things work?”**
>
> *—Young adult*

> **“[I feel] a mixture of confident and unsure. Just because I feel like I’m completely pivoting away from what I went to school for.”**
>
> *—Young adult*

We also heard some young adults express a resilient hope that their financial lives would improve. These young adults framed hope in the future as a tool that helped them stay motivated to keep pursuing their financial goals. A few interviewees mentioned needing to hold on to hope that they would improve their financial circumstances, because otherwise the challenges they faced would feel too overwhelming to push through.

> **“I'm not stopping.… I think sometimes people just need that boost to keep going. This is not going be forever…so yeah, I guess [I feel] hopeful.”**
>
> *—Young adult*

Young Adults’ Experiences Establishing Financial Stability to Pursue Wealth-Building Opportunities

For many young adults, income from a job is essential in building the financial resources necessary to meet their day-to-day expenses and to participate in wealth-building opportunities. However, across our interviews, we heard how challenging it was for young adults to connect with job opportunities that align with their experience and career interests while providing the necessary income. Navigating the spike in cost of living with lower early-career wages, establishing independent households, helping support families of origin, and keeping pace with a turbulent job market can demand the resources young people would otherwise use to accrue assets.

The Current Career Ladder Has Broken Rungs, as Young Adults Undertake Long Job Searches with Limited Good Job Opportunities

Most of our interviewees were college graduates or students in undergraduate degree programs, whose job search challenges and opportunities are distinct from those of other young adults without these credentials. But recent work by the Cleveland Federal Reserve suggests that some advantages in job search and entry for college degree holders (who historically have had lower unemployment rates, shorter job search periods, and more stable employment arrangements) may be slowly eroding, with unemployment rate gaps between college graduates and other young adults reaching the lowest level since 1976 (Cline and Kaymak 2025).

In response, young adults pursued a range of strategies to step onto the career ladder, including taking on multiple part-time or temporary roles, pursuing creative or entrepreneurial opportunities, and diversifying their potential career paths through multiple income streams.

> **On how they feel about their future career opportunities and earnings: "Honestly, not great."**
>
> *—Young adult*

Young adults searching for their first jobs (that is, new labor market entrants) described extensive searches for work that matches their experience, education, and career goals, often over six months, with some searching for more than a year. During their job searches, they found few open job opportunities that were well aligned. In response, many described adjusting their job expectations over time to incorporate a wider variety of potential roles in their searches. However, many also described limited success in securing any interviews at all, despite their many applications.

> **"I've applied for hundreds of full-time positions. I've interviewed for a good amount but haven't landed any full-time roles yet."**
>
> *—Young adult*

> **"The market is very unfavorable right now. Even to graduates, much less college students. I've applied to hundreds of jobs."**
>
> *—Young adult*

> **"College is pricey. I feel like I would rather [use] the money that I have for something else or put my time into something where I can work right away instead of going to school for four years and then not even getting a guaranteed job, so I dropped out of college."**
>
> *—Young adult*

Young adults described extended job searches as reflecting conditions in the external job market, noting that others in their peer group shared similar experiences. Interviewees felt limited agency in improving their job search experiences, as the challenges they faced were external. Young adults described finding little demand for entry-level workers, with few roles to apply to in their fields. They also described not hearing back from employers or feeling that applications were going toward nonhire roles, or "ghost" postings.

> **"Now everyone's ghosting me. You have to go through multiple rounds, and things fall through.... A lot of places will put ghost jobs up, but they're actually internally hiring because they prioritize that over external newcomers. Honestly, my job prospects straight out of school probably aren't great."**
>
> *—Young adult*

> **"[Job searching is] definitely not the best and not the most fulfilling. There [are] a lot of [people] in the job market right now. I've just been noticing a lot of phishing jobs, a lot of jobs that don't exist, or…you'll apply to a job and will not hear back from anyone, and if you try to get in contact with the company, it's pretty much radio silence."**
>
> *—Young adult*

> **"It's concerning because I'm like, am I just applying into an abyss? Especially with positions where I don't hear back at all…at least give me a rejection, at least [I'd] know that there's someone else on the other end of the screen."**
>
> *—Young adult*

Because young adults reported significant challenges in finding jobs, those who had some form of employment talked about how grateful and thankful they felt. Interviewees expressed gratitude even when they acknowledged that the current role was not a good fit for them or well paid.

> **“Honestly, I’m thankful because I never go hungry. I have a roof over my head. I have my basic necessities, but obviously I’d prefer to be in a better place financially.”**
>
> *—Young adult*

With Fewer Full-Time Aligned Job Opportunities, Young Adults Are Crafting Their Own Career Ladders

Young adults who experienced substantial challenges connecting with work reported taking on multiple part-time or temporary roles, pursuing creative or entrepreneurial opportunities, and diversifying their potential career paths through fractional work. Several mentioned earning money through episodic gig work, task-based roles (like TaskRabbit), or selling (resale markets or their own art). Young adults who cobbled together multiple roles and earnings options often described these as necessary to making ends meet until they found a more stable, well-paying role.

> **“I had three jobs the entire time that I was in my undergrad just to pay for not only school, but to pay for my living expenses, for food, phone bill, car bill…things like that.”**
>
> *—Young adult*

> **“I do things like I babysit on the side. I also do things like DoorDash shopping locally in my area to earn an extra $50, $100 bucks per day, whenever I have the time.”**
>
> *—Young adult*

Some interviewees described being engaged in multiple jobs and earning pathways as intentional and strategic. Several young adults described their multiplicity of job opportunities, cultivated through a mix of full-time jobs, part-time jobs, gig work, and entrepreneurship, helping them feel secure and better able to buffer against uncertain conditions. They framed undertaking fractional work as a need to “diversify” their career options because they did not consider traditional job roles to be inherently stable. Some explicitly mentioned thinking about their own or peers’ past experiences with layoffs and job loss as contributing to their focus on preparing for an uncertain future. Others tied fractional work to accounting for broader uncertainty in the economy or labor market when planning their careers. Still others mentioned how diversification could help them cultivate multiple income streams and, possibly, passive income to support future wealth-building goals.

> **"Especially in this day and age, I feel like you should have multiple streams of income, just in case something doesn't work out. I always have backup plans for stuff. Say an opportunity doesn't work out—it's good to have something else to lean on."**

—Young adult

Some young adults reported turning to content creation and entrepreneurship as one of their future career pathways. Those who did so described these paths as potentially advantageous, considering these roles to have greater potential for autonomy, flexibility, and agency in controlling their career options. They described other peers achieving success with content creation, creative roles, and businesses, which inspired them to pursue similar roles. They saw entrepreneurship as an opportunity-rich area, especially relative to the traditional labor market. Conversely, several interviewees interested in these career pathways saw traditional employment as providing them with the financial resources they need to further invest in entrepreneurship opportunities.

> **"I'm thinking of opening a mini laundry because I see they have started opening portable laundries. I'm just trying to find a way to diversify my income so that I don't have to just rely on that; if my job is eliminated, I'll still have that. [And] if I have a multi-property, I'll live maybe in the basement or the first floor, then rent the rest."**

—Young adult

The Affordability Crisis

To be able to invest in the future, young adults need financial resources to meet their day-to-day needs. Through our interviews, we heard the substantial challenges young people face in affording their basic needs, which keep them from engaging in wealth-building right now. Affordability concerns came through organically when they described their short-term financial goals and their confidence in being able to achieve them, and again when we specifically probed for any challenges they faced in achieving their goals.

Many Young Adults Frame Their Current Economic Situation as "Just Making Ends Meet"

Many young adults described their current financial positions as living paycheck to paycheck and trying to meet their day-to-day needs. Many of our interviewees could not afford to live independently. Most of the young adults we spoke with said they were interested in building wealth but did not have sufficient economic resources to do so. They described how they needed their funds to meet near-term financial needs.

> **"I feel like things have become really expensive."**
>
> *—Young adult*

The Affordability Crisis Is a Key Pressure That Is Difficult to Navigate

Across many of our interviews, we heard that the unaffordability of basic needs constrained economic opportunity for young adults. Many described how overwhelming day-to-day financial costs felt. They expressed concern and stress over their ability to afford the basics—housing, food, transportation, and utilities. These costs seemed far beyond what they could afford, and many described elevated and increasing costs as contributing to their inability to live independently. Crucially, many young adults felt they could do little to mitigate affordability beyond trying to pull together enough income through multiple part-time roles, selling, or task-specific earnings (like delivery or rideshare driving). But even with these strategies, costs felt burdensome.

> **"It's expensive just to live."**
>
> *—Young adult*

> **"I feel like a lot of people my age, we're kind of struggling right now. The rent-to-income ratio, it doesn't really match."**
>
> *—Young adult*

In some cases, affordability actively limited the job opportunities accessible to young adults. For example, several interviewees mentioned long commutes, public transportation accessibility and affordability, and car ownership costs limiting the roles they felt comfortable accepting.

> **"I don't currently drive and I live in the suburbs, so the cost of transportation is a thing. Then, being able to get wherever I need to get is also a thing. So, it's not even just finding a job—it's also finding a job that is accessible, and that doesn't cost more to get to than it would pay."**
>
> *—Young adult*

For other young adults, high prices for daily expenses exceeded what they were able to afford comfortably. Several interviewees said they coped with income shortfalls by relying on credit cards and other forms of open credit to help them make ends meet in the short term. Other young adults mentioned going without essentials like housing, food, or transportation. Young adults maintained that they did not want to, or plan to be in, a precarious financial situation but had no alternative option for making ends meet. They described mental stress over having to manage limited resources and, at times, responded to these pressures in untenable ways they felt were their only option.

> **"Some students are homeless, some students are barely able to have three meals a day, some can't really afford the $6 for transportation."**
>
> *—Young adult*

> **"This year…I literally didn't have any money in my checking account, and I needed to make a big purchase for my family. So, I find myself forced to take out a line of credit because I was like…okay, we need this today, I don't have money."**
>
> *—Young adult*

> **"Most of our paycheck has to go towards something that we need to afford, whether it's rent or car bill, or whatever that ends up being. It has to be utilized. Or if it is in our savings account, or our bank accounts, it's being saved for something or an emergency."**
>
> *—Young adult*

Delays in Financial Independence

Challenges with day-to-day affordability were closely tied to young adults' ability to establish financial independence, a short-term financial goal for many young adults living with parents or family members.

The Cost of Day-to-Day Living Can Feel out of Reach for Young Adults and Delay Financial Independence

Many of the young adults we interviewed were living with parents or other close family members. For those not living independently, parents or family members covered most household expenses, including housing, groceries, and utilities. Many of the young adults who lived with family described this arrangement as necessary for their financial stability, as they could not afford to live on their own. They described the high cost of day-to-day needs as outside what they could reasonably afford, and living with family enabled them to meet their basic needs within their current earnings.

> **"Even my friends that have graduated college and [those] that are with me in college, I see the same things going on. [They are] not able to afford things, some may not even be able to move out of their parents' house because they don't have to pay rent at their parents' house, and they're still paying for tuition or paying their car bills and phone bills and other things."**

—Young adult

Living with Family Can Be a Strong Financial Stabilizer for Young Adults

Many of the young adults who live with family reported that this arrangement helped keep them financially stable. Several interviewees noted that the ability to live with family was a privilege not afforded to all their peers and felt lucky and grateful that they were able to benefit from family support. Some young adults specifically noted that living with family made it easier for them to intentionally search for a role that fit their career goals and was high paying, so that they did not have to settle for the first role they secured.

> **"I also did get a couple of offers in the summer, but they were not what I exactly want to do for my first full-time job. I want to make sure it's the right one, so, I'm definitely not rushing and accepting any offers that I think I'll regret later.... [I'm] confident that I'll get something that is more tailored towards my skill sets and my interests."**

—Young adult

For Young Adults Living with Family, Living on Their Own Is a Short-Term Financial Goal

Many of the young adults who lived with family were interested in moving out and living on their own. They described the main bottleneck being their ability to secure a high-quality job that would cover their expenses. For many, living with family was a necessary step on their path toward financial stability, but they saw this as a temporary and necessary stop, not their final destination. However, many also described anxiety about being able to cover the high costs of living and daily expenses. Several mentioned their stress growing as costs rise, making it more challenging to discern when they would be able to establish financial independence.

> **"I guess in terms of...being able to move out and furnish an apartment without going into debt…that would be nice. I'm being honest, that might be as far as my goals go [right now]."**
>
> *—Young adult*

> **"A lot of young adults…have to start over in new cities, where the jobs are, and it's very expensive to live there. I think [they are] not being prepared to pay for everything that comes with post-grad: finding an apartment, finding a job, doing storage, transporting everything."**
>
> *—Young adult*

Paradoxes in Family Support

Young adults are just beginning to establish their financial independence in their late teens and early twenties. As they do so, family context plays an important role: young adults can benefit from receiving support or find independence delayed as they contribute to the financial stability of their families of origin. In our interviews, we heard a diversity of experiences with family financial support at this stage of life.

Learning about Finances from Family and Peers Helps Young Adults Navigate Their Finances and Credit

In addition to benefitting from concrete financial support from parents or other family members, young adults may also benefit from family financial socialization: learning about finances through advice or seeing how family members manage their financial lives. We heard that many young adults learned how to navigate financial systems from their parents or other close family members (such as siblings, uncles and aunts, and grandparents). Many specifically pointed to learning how to manage credit, budgets, and spending from their families.

> **"My mom always told me, just pay [your credit card bill] off on time. You don't want to build up interest, [and] even though life happens, that's going to ruin your credit score, and having a bad credit score affects your future."**

—Young adult

> **"So, I actually learned [financial advice] from my parents. My mom's really smart with money. She's great, so I learned from her. I also learned from my brother-in-law. He also has some rental investments, and he's really smart with money."**

—Young adult

> **"I also learned from my grandparents. When they got to the US, they started learning how to save properly, and they actually took a personal finance class in college, and it worked out. That's really helpful to kind of see how you're learning from each generation."**

—Young adult

Some described learning from family members' direct financial guidance and advice, while others described learning from the financial behaviors and outcomes of their family or close peers. Young adults' experiences were often positive—like seeing parents balance a budget or manage credit card statements—but also included examples of financial behaviors to avoid, as watching others' mistakes helped them make better decisions in their own financial lives. Adverse examples of poor financial behavior were largely tied to seeing family or close peers take on debt they were unable to repay without hardship.

> **"I have some family members who have terrible debt. I'm like, I don't know how you're happy at a party when you know you're this much in debt.... That's what I'm learning."**

—Young adult

> **“My dad… is in debt, like, a lot. And I think growing up with that and seeing that, I think I realized that that’s not really a path that I want to take. When I helped my mom take out her first credit card, I was kind of the one managing that.”**
>
> *—Young adult*

Some Young Adults Provide Their Families with Financial Stability and Support

Young adults can be key financial contributors to the broader family units. This manifested in a variety of ways. Some young adults reported being responsible for providing financial stability to the entire household, a heavy financial and emotional responsibility. These young adults were concerned about earning enough to cover costs for themselves, as well as other members of their families (either on their own or in combination with other family members). In one instance, financial support included a young adult working to secure a home for the family to mitigate an unstable and unaffordable housing situation. These young adults described their goals of financial stability in a collective frame, as all family members working toward the financial stability of the entire household.

> **“Me and my father, we share that responsibility [for covering household expenses]. In terms of, okay, I got this much money. This bill, let’s do this thing, this bill is due this day, and we kind of share that responsibility a little bit.”**
>
> *—Young adult*

> **“In college, it looked more like…whenever I have scholarships or financial aid checks, again, giving up a significant portion of that so [my family] would be able to cover basic needs.... I did the math, and I realized that…all of my check went towards keeping the family afloat.”**
>
> *—Young adult*

Other young adults reported helping other household members cover daily expenses or become more financially stable. They saw this as a way to support family members and close peers experiencing challenges, even if they were not fully financially responsible for living costs. These young adults contributed what they could financially to others in their families, viewing this as part of their financial responsibility or financial goals.

> **"I never worked before then [a few years ago], but then I started getting summer jobs, trying to help out, because my father couldn't physically work anymore. He used to cover everything [financially], but after he got hurt on the job, he wasn't able to. Everybody had to pick up more responsibility."**
>
> —*Young adult*

> **"I'm focused on [paying down] my [student] loans, and then I have a younger brother in college. So, I'm focused on my debt and also his. Because I'm trying to help my sibling."**
>
> —*Young adult*

AI as an Engine or Disruptor of Financial Opportunity

AI came up organically in our conversations with young adults about their financial futures. Many described AI as embedded in their thinking about their future employment opportunities and pathways, which had direct bearing on their ability to achieve their long-term financial goals. Importantly, interviewees did not agree on how AI would affect their financial futures: some saw AI as potentially generating new financial opportunities for them and their peers, while others saw it as potentially constraining their economic mobility and opportunity in the future. Despite this debate, there was broad agreement that AI would substantially change what careers and financial pathways would look like for young people.

Some Young Adults View AI as a Potential Engine of Financial Opportunity That Can Provide New Openings for Creative Careers and High-Paying Jobs

Several of the young adults we interviewed expressed hope that AI innovation would provide them with new opportunities. They discussed how AI could open new doors to careers for them and their peers but were less certain about exactly what that would look like. In reflecting, young adults said it was crucial to pay attention to how AI developed and to quickly take advantage of any opportunities that arose. Interviewees also suggested that AI may support more creative or entrepreneurial career pathways.

> **"The way [AI] rapidly grows is going to completely change all our industries and job markets as it continues to grow. There's opportunities to build your own type of career using [AI]."**

—Young adult

> **"I presume [AI] would assist fintech, and I know that there's currently a rise in a lot of engineering and technology fields. And those are the fields that are making a lot of money, so I can assume that [AI] would offer assistance to our generation's ability to build wealth."**

—Young adult

> **"Depending on the fields that you're in, there are some things that can literally only be done by humans, even if you're using AI to assist you. There are some things that only humans can do. But then I also think that there are systems and other things that were in need of desperate assistance that could not be done just by human thinking, especially with the constraint of time."**

—Young adult

On the Other Side, Many Young Adults See AI as a Potential Disruptor That Could Have Adverse Effects on Their Financial Stability and Well-Being

Several young adults described AI as a disruptive force that could limit their future job opportunities. They reflected that AI would likely change the types of roles they could secure and which career pathways were well compensated and plentiful. A concern several interviewees echoed was whether their current education and training would prepare them for the jobs available in an economy being remade by AI. They felt uncertain whether the return on investment for their degrees would diminish and were unclear about the best way to bolster their resiliency to AI-induced changes in labor demand. Several mentioned a need for more preparation and training to get a quality job but remained uncertain about what exactly would be the most productive path for doing so.

> **"AI is taking over everything. The skills that I'm trying to obtain, are they actually going to be useful, or will that job be replaced by AI in a few years?... I definitely don't think that a bachelor's degree is enough."**

—Young adult

Though young adults talked about the potential for AI to shift labor markets in the future, they also felt that the change had already happened. They described thinking that AI was already shifting the types and the number of opportunities in the labor market. Several interviewees mentioned that AI likely contributed to the limited number of entry-level roles they were encountering in their job searches. They said this left them feeling discouraged and less sure about their ability to secure the types of work they were most interested in.

> **"The economy is changing...with AI, so having to maybe look into another career path down the line. The roles I'm looking at…are being replaced by AI. It's just being used a lot within pretty much most companies now, so they might need less people to do roles that [they] usually require [analysts] to do."**
>
> *—Young adult*

Barriers and Opportunities to Young Adults' Wealth-Building Pathways

Few young adults we spoke with had experience with assets, including retirement accounts, homeownership, individually held stocks, cryptocurrencies, or other investments. Many young adults said they were focused on their goals of financial stability in the near term and did not have the financial resources to invest in wealth-building opportunities, although this remained a core long-term goal.

The young adults we spoke with who did invest primarily did so through moderate contributions to employer-held retirement plans or Roth individual retirement accounts. Others reported investing small amounts of money in financial assets, like individual stocks. Several young adults we spoke with invested small sums in individual stocks during the COVID-19 pandemic period when, they noted, many of their peers were investing as well. They described this social component as helping them feel comfortable choosing a specific asset or stock to invest in.

Though a minority of interviewees had invested or held assets before our interviews, many viewed wealth building more as a long-term financial goal. Many young adults described investments in homeownership, higher education, and financial assets for passive income as their primary goals over the long term. At the same time, they expressed that wealth building would require time, effort, and changes to the barriers blocking their ability to achieve these goals.

Some Young Adults Have Benefited from Financial Education

Throughout our interviews, young adults raised the importance of financial capability—having the knowledge to make effective financial decisions paired with the resources to be able to do so. Young adults said that although they did not have the economic resources now to engage in their wealth-building goals, they knew they would need more financial knowledge to successfully meet these goals in the future.

Several interviewees described their experience with formal financial education in high school or college. Some described receiving financial education as part of a curriculum or course, while others learned from workshops or other one-off sessions. Young adults who received formal financial education typically learned about managing credit, budgeting, and saving. They described this information as valuable in helping them build financial stability and credit to prepare for future wealth-building opportunities.

> **"When I was an undergrad, there was this financial literacy workshop they used to conduct that also was very helpful. Teaching us, what is a credit card, how to spend a credit card versus what's a debit card, and how to use a debit card…and about a high-yield savings account, so that was very beneficial."**
>
> —*Young adult*

> **"I've been a part of this first-generation college program that mentors you throughout college, and they've had workshops about managing credit cards and scores."**
>
> —*Young adult*

> **"Every now and then we have...[the local] credit union on my campus, so if I really do have a very dire question, I'll go to them and ask."**
>
> —*Young adult*

Information on Finance Is Readily Available on Social Media, but Many Young Adults Opt to Verify Before Acting

Although social media and AI tools regularly provide financial information, young adults reported that they intentionally verified and interrogated this information before acting on it. Young adults said that they see financial content on their social media feed, but they do not inherently trust online testimonials or content. Some mentioned that social media exposed them to a range of content related to finances, including cautionary tales in addition to financial advice. While financial information is broadly available from AI tools and social media, several interviewees reported verifying content from social media using trusted sources like peers and parents, local nonprofit organizations, and web pages from established organizations.

> **"I know there are videos on YouTube, but I just feel like those are very tech bro-y, like, this is how you make your first million dollars. I'm not really interested in that; I'm more so interested in storing my money in the right places and to start diversifying my financial situation."**
>
> *—Young adult*

> **"I don't really trust social media. I feel like everyone is always trying to sell something to you. So, I'll probably just go on YouTube or Google or Reddit to fact-check it [and]e research it myself."**
>
> *—Young adult*

> **"I didn't necessarily ask [AI] for financial literacy things, I asked them more for help with my budget. I would tell them these are my bills, this is how much I'm making per month: how can I optimize my budget, basically."**
>
> *—Young adult*

In addition, several young adults viewed online and virtual tools as resources to teach themselves about finances. These young adults reported seeking financial information from YouTube creators and online education tools to help them learn about areas of interest before they made financial choices. Some relied on these tools when they did not have alternative formal financial education opportunities or friends and family they felt they could turn to for this information.

> **"The way that I learned about credit cards was mainly watching YouTube videos because I didn't have anybody else to explain it to me."**
>
> *—Young adult*

Many Young Adults Want Deeper Financial Knowledge to Feel Comfortable Pursuing Their Wealth-Building Goals

Young adults reported feeling comfortable with their ability to navigate their day-to-day finances using their current financial knowledge. They described learning about how to manage credit, to budget, and to save from formal financial education, their parents and peers, or online tools and videos. Several mentioned developing their own tools and resources for tracking their daily finances, with a few explicitly mentioning they used more "analog" tools like Excel to track spending. They reported that using less-automated tools helped them feel more in control of their spending and budgets because it let them devote attention to their finances and kept progress tangible.

While young adults reported feeling comfortable navigating daily finances, they expressed a desire to gain more financial knowledge about assets, investments, and wealth-building opportunities. They felt that they could benefit from more sophisticated financial knowledge about homeownership, retirement, investing in the stock market, and starting a business, once they were ready financially to undertake such goals.

> **"[I want to know how to] build and accumulate in my own savings account and then [I] want to learn the right way to invest. So that I can just accrue money that way."**
>
> *—Young adult*

> **"School has these, like, financial literacy programs but they're mostly focused on building wealth as [if] you [already] have wealth, and it's really hard to build wealth [when] you don't have access to liquid assets."**
>
> *—Young adult*

> **"It's really overwhelming to try to learn about all that investment stuff."**
>
> *—Young adult*

Young Adults Want to Receive Information about Wealth Building Once They Have Financial Resources to Invest

For many interviewees, information on how to navigate investments and assets felt premature, considering their financial positions. Young adults discussed wanting financial information once they have the financial resources available to act on it. When discussing their future financial goals, many young adults discussed their intent to learn more about homeownership, business ownership, higher education, and financial investments so that they could make informed choices. But without financial resources to engage in these goals, they felt knowledge about these topics was not currently relevant, but instead belonged to their future goals and financial planning.

> **"I just don't have enough capital to…put it in a portfolio, or a high-yield savings account, because I need to use it. I just don't have the luxury of having a large sum of money that I don't need in the moment."**
>
> *—Young adult*

Affordability and Debt Burdens of Homeownership and Higher Education Goals

A challenge to young adults' future financial goals was the cost of assets (specifically homes and higher education) and the centrality of debt in facilitating these wealth-building goals. For many young adults we interviewed, debt burdens felt substantial and were framed as a potential inhibitor to their desired financial accomplishments.

Young Adults See Credit and Debt as Part and Parcel of Their Long-Term Wealth-Building Goals, Given High Asset Costs

Many interviewees framed credit and debt as something they needed to be able to navigate effectively if they wanted to pursue their near-term and long-term financial goals. They did not feel that they had the option to forgo the credit system or avoid debt. In particular, they pointed to the cost of asset investments, such as homes and higher education, as a key reason they needed to take on debt. Young adults described being unable to attain high-cost future goals without taking on loans or using credit.

> **"[Wealth building] feels very reserved to those who can afford it, or those who have access, or those who have resources to help them navigate a system…honestly, the common…young adult might not have that."**
>
> *—Young adult*

The affordability of homeownership and higher education also influenced young adults' future financial goals and planning. Several interviewees emphasized that the cost of homeownership and higher education meant that these milestones would take them several years to achieve. Young adults described the need for time to build up savings, to accrue enough sophisticated financial knowledge to explore all financial options, and to strengthen their credit. Several interviewees described finding it difficult to establish immediate financial stability while making progress toward long-term goals.

> **"You need good credit to take out loans in the first place. That's hard to build up when you're living paycheck to paycheck."**
>
> —*Young adult*

> **"[At] my university, total cost of attendance is $80,000 [each year]—$80,000 is more than what my family makes in a year."**
>
> —*Young adult*

> **"My plan is to take time off and then go to law school, and so while I work, I'm planning to save up a bit so that I could put that money towards tuition [and] living expenses while I'm in law school."**
>
> —*Young adult*

> **"I'm very much in debt in terms of credit cards and student loans. When I was going through college, I wanted to do an advanced degree right after. But I needed to make money, and I couldn't afford to be more in debt after. So, I started working part-time gigs."**
>
> —*Young adult*

Many Young Adults Express Feelings of Anxiety and Stress about Debt Burdens

Many young adults we interviewed expressed feeling anxious, stressed, and sometimes even fearful of the debt burdens they felt necessary to facilitate their financial goals. These sentiments shaped how comfortable young adults felt engaging with debt and credit and how they thought about debt in the context of their broader financial obligations.

> **"The ultimate goal is to just get rid of the loans completely, and as soon as possible."**
> **"For my health, I need surgery that my insurance didn't cover [that] I would need loans for. But I didn't really care about it, because, you know, my education, then my health. I don't really know what to put first."**
>
> —*Young adult*

Some described trying to avoid accruing any debt and paying expenses in full as much as they could. Others focused on reducing spending. Still others reported shifting their credit card and BNPL use to avoid debt and described lines of credit as integral to maintaining solid credit histories that would enable them to achieve their broader wealth goals. With this in mind, young people expressed a strong aversion to taking on high debt burdens.

> **“I bought concert tickets on [BNPL]. I paid it in two months. I used it because at the moment, I didn’t have the immediate funds, but I was like, I know that I’ll be able to afford it if I pay it off in payments. I don’t plan on using it again, because if I can’t afford it when I’m trying to buy it, I can’t afford it.”**

—Young adult

> **“My credit cards technically don’t exist…I have them cut up, so I don’t use them, they’re not accessible to me.”**

—Young adult

Student loans were a common product that young adults reported feeling high degrees of fear and anxiety about. Young adults often described the cost of higher education and associated student loans as beyond what they could reasonably repay. Several young adults described how this influenced their decisions to change their timelines for higher education, their interim savings goals (to afford tuition and other educational expenses without taking on loans), and possibly their selected degree programs—all to avoid incurring high levels of debt.

> **“I tried to stay away from loans of any capacity when it came to my higher education. I think I only took out about $8,000 to $10,000 in student loans, and that was the first two years. I was building myself up because I am a solo student. I have paid for all of my higher education myself. I definitely stayed away from [student loans].”**

—Young adult

Some young adults expressed an internal tension, striving to keep their debt out of their minds because it was so emotionally overwhelming and stressful. Several interviewees described trying to tell themselves that their debt should not be stressful or forget about it as a way of coping. Emotional distance helped them feel in control of their finances, even when carrying a substantial amount of debt.

> **"I'm also not too worried about [my debt] because…I feel like this is one of those weird things where I'm kind of gaslighting myself into not caring."**
>
> —*Young adult*

Most Young Adults Expressed Feeling Hesitant and Anxious about Debt Burdens, Though Some Reported Little Anxiety, Even While Holding Debt

Stress and anxiety about debt taking was not uniform among the young adults we spoke with. Several did not report stress about their debt burdens. Support in managing debt, such as parental financial support, helped many experience less stress. Others held less debt, and as a result felt less anxiety about having debt.

> **"[Student debt] wasn't really an issue [for me], and also my parents...even when they started working, they started saving up for my siblings and [my] education."**
>
> —*Young adult*

A Stable Policy Environment

Several interviewees noted that policy changes and economic uncertainty shaped their confidence in their ability to achieve their long-term wealth-building goals. For example, several young adults mentioned changes in limits for federal student loans for graduate school and the effect on their higher education plans. These young adults said such changes shifted their timelines for returning to higher education, the types of degrees they planned to pursue, and whether they felt it was still financially possible to pursue postgraduate education.

> **"[I'm a] psychology and sociology major, and I probably do want or need to go to higher education, but as you know, our current president put a cap on federal loans; we've got $200,000 for your lifetime. Currently, I have no federal loans, which is good, but grad school is probably going to be more than $200,000, so…we'll see what happens."**
>
> —*Young adult*

> **"This president—if he counts as a roadblock—he's making it difficult to go to grad school. It's going to be difficult for the students in grad school because he was transferring loans to private lenders."***
>
> *—Young adult*

Another concern related to potential changes in the cost and accessibility of health insurance and how they may shape young adults' job searches, personal budgets, and financial planning.

> **"Because there are attacks on the Affordable Care Act, it kind of puts our generation, at this specific time, in an interesting place. Because we're in that range between 21 and 25, where we previously weren't covered, and there's an attack on those things [or provisions] that cover us. So, finding health care or ensuring that we are taking on jobs or work that assures us the net of being able to go to the doctor and not come out with very hefty bills [is important]."**
>
> *—Young adult*

Others mentioned how changes in federal funding and public sector layoffs were shaping their career goals. Several young adults aspired to public sector careers and noted that these changes limited the number of jobs available in their areas of interest. As a result, several young adults described feeling unsure they would be able to pursue a career in the field at all. Others who worked in the public sector expressed anxiety about whether these disruptions would destabilize their roles over the long term.

> **"I was a federal worker, so I was going to move to DC, and then the administration came in and [I] lost my job and everything."**
>
> *—Young adult*

> **"I really do want to go into policy, or government, or working with nonprofits, or working with city council, some type of public-facing role where I can really help communities. I feel like with my degree of social work, before the current federal administration was in, I would have felt confident in getting a position in these types of areas."**
>
> *—Young adult*

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* While this quote suggests that federal loans have been privatized, as of the writing of this report, this is not current policy. Only borrowers who max out their federal loans would have to go to private lenders if they are unable to finance net price, or if they refinance their federal loans with private lenders.

> **"I had thought going to higher ed—there's the 10-year nonprofit rule for loan forgiveness, and now that's under threat, and jobs in nonprofits and higher ed are under threat, so that's a little nerve-racking."**
>
> *—Young adult*

Policy Implications and Conclusion

Our interviews with young adults illuminated the challenges and opportunities they face in establishing financial stability and building wealth. Young adults have experienced great challenges in establishing financial stability. Without such stability, those we interviewed felt that wealth building was something to tackle in the future. As they sought financial stability, they emphasized how challenging it is to have control over their financial circumstances and futures. They described a labor market with few opportunities that would earn them the incomes they need to live on their own, leaving them feeling overwhelmed and without agency over their job prospects. Many young adults reported living with others to help provide them breathing room to undertake a long job search. Adding to this, basic living costs felt unaffordable, putting financial independence further in the future for them. Moreover, substantial changes in policy and AI have introduced new uncertainties for their career opportunities, making it harder for them to lay out a path to stability that would give them the foundation they need to invest in wealth-building opportunities.

Still, many young adults have bright plans for their financial futures, with many interested in investing in higher education, homeownership, or even entrepreneurship. But many said pursuing these wealth-building goals would require more financial knowledge, paired with the economic resources to act. Young adults also described the high cost of wealth-building investments like homeownership and education tempering their ability to pursue their goals—especially considering many felt anxious about taking on high debt burdens as part of this process.

Overall, these insights demonstrated how affordability, labor market demand and earnings, and actionable financial knowledge play a role in young adults' wealth-building journeys. In this section, we highlight the current policies and programs aimed at lowering the barriers young adults in this study faced. These policies span from college access and student debt reform to support their employment, their sense of agency, and debt relief. This is not meant to be an exhaustive list of policy recommendations, but rather policy context in which to understand the findings from this report.

Support for Young Adults' Employment

Interviewees in this study described prolonged job searches for positions aligned with their degrees, limited success securing interviews, and frustration with "ghost" postings and employer nonresponsiveness. Their observations align with recent quantitative data documenting longer job searches for new labor market entrants and fewer entry-level job opportunities.[14] When asked about policies they thought would improve their labor market outcomes, young adults suggested improved workforce pipelines that lead to stable jobs and higher salaries for entry-level positions. They also suggested that there "be some level of regulation around AI and its ability to take jobs."

Most of our interviewees were college graduates or currently enrolled in undergraduate degree programs, so they would have different job search and training opportunities and challenges than young adults without these credentials. Recent data find that college attainment rates are roughly 43 percent for adults ages 25 to 39,[15] so college graduates are somewhat overrepresented in our study. Given this, the policy discussion below is largely built on insight from young adults who have or are pursuing college credentials and their labor market prospects. We do acknowledge, however, that investments are needed to improve job search and employment stability for young adults who forgo college.

The labor market experiences of young adults in this study highlight the need for policies that build relevant skills and strengthen pathways into quality jobs, reduce barriers for new labor market entrants, and protect workers once they are employed. Existing evidence suggests that improving access to workforce training and education supports can help young entrants to the market (Cummings and Bloom 2020). These kinds of programs, largely funded by the Workforce Innovation and Opportunity Act and sometimes subsidized by local and state governments, help less-experienced job seekers compete. States and localities can also pursue policies related to pay transparency and minimum wage adjustments to help young workers feel confident that the roles they apply for meet their financial needs. Evidence suggests that strengthening labor market institutions, such as minimum wages, labor standards boards, and worker protections, tend to raise workers' earnings and wages. [16]

Credit and Debt

Young adults in our study described credit and debt as inseparable from pursuing their financial goals, whether financing higher education, securing housing, or making ends meet. Yet these aspirations collide with a challenging credit environment: according to the Federal Reserve Bank of New York, consumer debt reached $18.6 trillion in late 2025 and credit cards' annual percentage rates averaged 22 percent.[17] As a result, firms like Consolidated Credit report increased enrollment in their debt management program, particularly among Gen Z and millennials.[18] In 2025, one in six young adults ages 18 to 24 experienced challenges meeting repayment obligations, demonstrating elevated levels of financial distress (Martinchek 2025).[19]

These data points underscore the need for policies that both protect borrowers and build long-term financial resilience. Existing evidence-based solutions include credit counseling programs like those provided by Working Credit, a nonprofit that helps clients establish and build strong credit scores. A 2019 evaluation of Working Credit found that participants successfully reduced their debt in collections, improved their credit scores, and expanded access to credit (Elliott, Heffernan, and Okoli 2019). Alongside these individualized approaches that can help young people navigate credit and debt, federal and state policymakers could enact consumer protection policies that restrain the interest rates charged to consumers, terms of repayment, or other elements of financial products. Prior research has found that policies that balance consumer guardrails with maintenance of affordable credit liquidity can help consumers access credit in ways that reduce hardship and repayment difficulties (Martinchek and Johnson 2023).

College Access and Student Debt Reform

Young adults in our interviews reported that cost was a substantial barrier to higher education, particularly graduate education. They expressed anxiety about repaying student loans and described trying to avoid thinking about repayment. These findings are in line with previous research on student loans, which finds that students who are currently enrolled are often not fully knowledgeable about the debt they have taken on (Akers and Chingos 2014). And having student loans could affect perceptions of the value of education. In a national survey, just 44 percent of degree holders still paying off their student debt said the benefits of education outweigh the costs, while 68 percent of those who had repaid their debt (or had no debt at all) agreed (Board of Governors of the Federal Reserve System 2024).

The inflation-adjusted net price (the price that students pay after all grant aid) for undergraduate degrees has stayed fairly constant (or decreased) over time, and the annual share of undergraduate students who borrow federal loans for college has decreased from a high of 38 percent in 2010–11 to 23 percent in 2024–25 (Ma, Pender, and Hu 2025). But graduate degree debt, along with the share of students who pursue a graduate degree, has increased over the past decade (Monarrez and Matsudaira 2023). Several interviewees also expressed anxiety about newly passed loan limits for graduate programs, which could push students to the private market to make up the difference in costs.

Federal policymakers who want to support college affordability could consider increasing the Pell grant, which supports undergraduate students from low-income backgrounds. The maximum Pell grant amount has been held at $7,395 since the 2023–24 school year, even as inflation continues to increase costs. State policymakers could consider allocating additional support to state grant programs or free college initiatives, particularly programs that offer “first dollar” support, which allows federal and other aid to cover living costs.[20] To support students in repaying their loans, policymakers could consider further streamlining federal student loan repayment, particularly for students pursuing Public Service Loan Forgiveness or for borrowers facing delinquency and default. And with the likelihood that more graduate students will be taking on private student debt in the wake of new federal loan limits, policymakers may want to consider additional safeguards and regulations for this industry.

Housing Affordability for Renters

National polling validates what the young adults in this study expressed: 74 percent of young adults view housing costs as a crisis, fueling support for rent freezes and expanded government housing.[21] In this study, young adults also expressed interest in increased government assistance for housing affordability. Both federal investment and state and local regulatory reforms are needed to address supply constraints and ensure young adults can access affordable, stable housing. At the federal level, the Affordable Housing Credit Improvement Act, enacted through the July 2025 reconciliation bill, will expand the Low-Income Housing Tax Credit and is projected to finance 1.22 million additional affordable homes over the next decade; the full act could enable 1.6 million units.[22] States are increasingly stepping in with measures to loosen restrictive zoning, streamline permitting, and set housing production targets. Examples include Texas allowing apartments in commercial zones and Oregon expanding duplex and triplex allowances.[23] And localities across the country are investing in affordable and mixed income housing, as well as enacting reforms that make market rate and subsidized housing quicker and cheaper to build.

Financial Capability and Financial Knowledge

Many young adults interviewed expressed a desire for accessible financial information to support their long-term wealth-building goals, citing needs such as understanding loan repercussions, planning for homeownership, and having “a financial mentor who is a real person.” They emphasized needing trusted, reliable financial information alongside the financial resources to act—the elements of financial capability. These preferences echo prior research in the early wealth-building space in which young adults expressed clear preferences for financial education alongside any lump sum distribution.[24]

Policy responses that marry financial information with financial resources are growing, and evidence suggests that this pairing helps financial information be actionable, relevant, and effective in improving concrete financial outcomes. Twenty-six states now mandate high school financial literacy courses, up from seven in 2019, and advocates are pushing for national standards and integration into K–12 curricula (Council for Economic Education 2025). Such programs may help young people get the foundational knowledge to achieve financial stability, supporting their future wealth building. In addition, federal programs like the Federal Deposit Insurance Corporation's Money Smart for Young Adults and the Consumer Financial Protection Bureau's youth modules provide scalable resources. Private initiatives such as the American Bankers Association's Get Smart About Credit campaign and Working Credit prepare people to strengthen their credit to take advantage of wealth-building opportunities, like business ownership or homeownership.

Other complementary financial coaching and counseling efforts support individuals throughout specific processes, such as investing in financial assets, retirement planning, or first-time homebuying. Prior research has indicated that combining down payment assistance funds with financial education can help support homebuyers in finding and affording a home (FHFA 2025; HUD 2025). Further, embedding financial education that is asset framed and future oriented into K–12 and workforce programs and linking it to account-based interventions like Trump accounts can create a continuum of support that equips young adults with both knowledge and tools to achieve financial resilience.

Early Wealth Building, Homeownership, and Retirement

Young adults in this study described struggles to focus on wealth building, not because they undervalue it, but because immediate costs and financial stress leave little room for long-term planning. Interviews revealed that most participants were focused on finding a job, meeting basic expenses, saving enough to live on their own, and managing debt. Yet research is clear: without early asset accumulation, financial stability remains elusive, and wealth gaps persist across generations (Hamilton, Darity, and Price 2025).

Policy levers to address the wealth gap are being added and strengthened in the private sector and at all levels of government. Increasing auto-enrollment in retirement plans has led to growth in younger workers' savings (Clark 2024). Baby bonds pilots exist in at least nine states to seed wealth for children in low-income households.[25] At the federal level, Trump accounts (530A accounts) were included in the July 2025 reconciliation act and now offer individual retirement accounts for children, creating an entry point for investment and financial education for those who enroll. To support homeownership—a key wealth-building milestone—policymakers are advancing down payment assistance programs, shared equity models, and first-generation homebuyer credits, alongside efforts to expand affordable mortgage products and reduce appraisal bias (FHFA 2025; HUD 2025). Pairing these concrete financial resources with individualized financial coaching can ensure that young adults have both the tools and the knowledge to build wealth, even as they navigate high costs and limited savings.

Conclusion

Across interviews, young adults voiced a common reality: immediate financial pressures, from housing costs to student debt, leave little room for long-term planning, fueling feelings of limited agency and uncertainty about the future.

Policies and programs can assist young adults in establishing stability and wealth. By combining near-term supports, such as affordable housing and fair credit protections, with forward-looking strategies like baby bonds and child development accounts, federal, state, and local leaders can create pathways that not only ease today's burdens but also build tomorrow's wealth. Centering young adults' voices in these efforts ensures that programs do more than deliver resources—they can empower choice, foster resilience, and lay the foundation for upward mobility.

> **"We don't want much. What most of us want is stable income, a retirement plan…to have some spending money, maybe own our own homes. I think that's about it. I don't think we're asking for that much."**
>
> *—Young adult*

Appendix: Methodology

This appendix provides in-depth detail on research questions, sampling criteria and recruitment processes, sample characteristics, interview topics, thematic coding and analysis procedures, and validation and member checks.

Research Questions

This study had three animating research questions, focused on the financial experiences of young adults with low to moderate incomes:

- What wealth-building pathways feel possible and probable for young adults with low to moderate incomes, and why?
- What barriers and opportunities exist for them in establishing their financial stability?
- What barriers and opportunities exist for them in pursuing, accessing, and using their desired wealth-building pathways?

Sampling Criteria and Recruitment Processes

We focused on the financial and wealth experiences of young adults ages 18 to 24 living in the US who had low and moderate incomes. We used $65,000 as the maximum income for young adults to be eligible to be interviewed, acknowledging variation in cost of living across the US. All interviewees met these sampling criteria (meaning they were in this age range, earned below the maximum income threshold, and were located in the US). While we had a strict income maximum, the majority of interviewees (70 percent) earned below $16,000 or had no income.

We used purposive sampling strategies and partnered with Young Invincibles, a national nonprofit that works with 18- to 34-year-olds on policy and social change, to invite potential interviewees to complete a screening survey (Creswell and Poth 2018; Mason 2017; Parker and Lynn 2002). Because we selected a purposive sample of low- to moderate-income young adults engaged in leadership opportunities, these insights are not intended to be nationally representative, but reflective of the types of experiences that young people face today. The screening survey asked individuals about their age, income, employment status, race, and gender. Based on responses to the screening survey, we selected

16 young adults for interviews, aiming for a range of interviewees across income, employment, and education. Interviews were conducted between September and November 2025.

Sample Characteristics

All interviewees were ages 18 to 24 and lived in the US. We interviewed 1 participant with a high school diploma, 1 with a completed master's degree, 3 with "some college" (either current students or young adults who started a college degree program and did not complete it), and 11 with a bachelor's degree (in progress or completed). With regard to employment and earnings, 2 interviewees did not earn an income, 9 earned low incomes ($1 to $16,122), and 5 earned moderate incomes ($16,123 to $65,000). Of the 16 participants, 7 reported having one or more part-time jobs (fewer than 40 hours a week), 2 reported being unemployed, 4 were employed full time (more than 40 hours a week), 2 reported being gig workers, and 1 participant was a full-time student with no additional employment. Seven of the participants were students (full or part time) who also worked (including full-time work, multiple part-time roles, gig work, and other employment arrangements). Four of the 16 interviewees identified as male, 11 identified as female, and 1 participant did not report their gender. The sample included individuals who identified as Black, Asian, American Indian or Alaska Native, Hispanic, white, and multiracial. Interviewees also lived across the four census regions in the US, and some lived in cities, suburban areas, and rural communities.

Interview Topics

Each interview lasted 45 minutes and covered young adults' short- and long-term financial and career goals, their current financial situations, confidence in their financial futures, experience with debt and credit, access to and experience with assets and investments, challenges to building wealth, opportunities for building financial stability and wealth, experiences learning about finances, and areas in which additional policies and programs could support their financial stability and wealth.

Thematic Coding and Analysis Procedures

After conducting interviews, we used a basic interpretive design to analyze findings (Kahlke 2014; Merriam 2002). We conducted several levels of coding, including in vivo codes (or analytic codes developed based on interviewees' experiences, rather than before the interviews) and thematic codes capturing topics covered in the interviews (Creswell and Poth 2018; Crotty [1998] 2004; Kahlke 2014; Maxwell 2013). Once the team had completed coding all interview transcripts and excerpts, we consolidated codes into cohesive themes and narratives (Creswell and Poth 2018; Kahlke 2014).

In this analysis, we present themes that emerged across multiple interviews alongside interviewees' illustrative quotes that describe their experiences and perspectives in their own voices. We have lightly copyedited participants' quotes for clarity, including removing repeated words or interjections and moving phonetic language to reflect written form, but maintaining participants' voices throughout. We have made these adjustments to improve readability of quotes in written format while maintaining participants' voices (Oliver et al. 2005).

Validation and Member Checks

To ensure validity, we shared the findings with interviewees for their input, feedback, and adjustment. Such "member checks" help prevent misrepresentation of participants' experiences, clarify misunderstandings or topics with diverse experiences, and allow participants to assert more ownership over their stories and narratives, strengthening the validity and credibility of qualitative findings (Fine et al. 2000; Freeman et al 2007). This process enabled the research team to feel confident about the trustworthiness of findings and their grounding in young adults' experiences.

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