



Researching Family Balance Sheets to Strengthen
Families and the Economy | stlouisfed.org/hfs

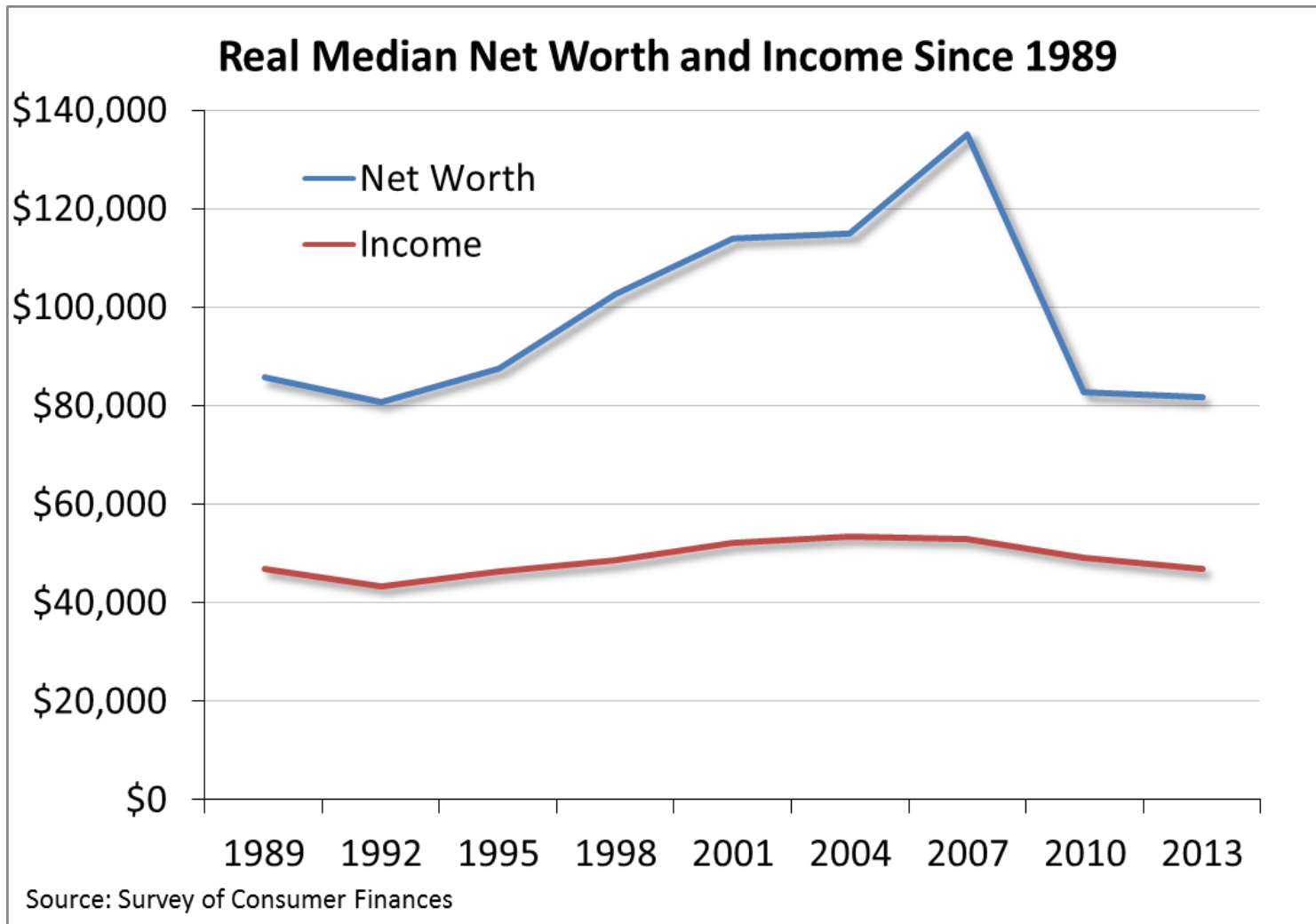
Rebuilding Family Wealth, Rebuilding the Economy: The U.S. Experience

Prosper Canada
ABLE 2015 Financial Empowerment Conference
Toronto, Canada
November 2, 2015

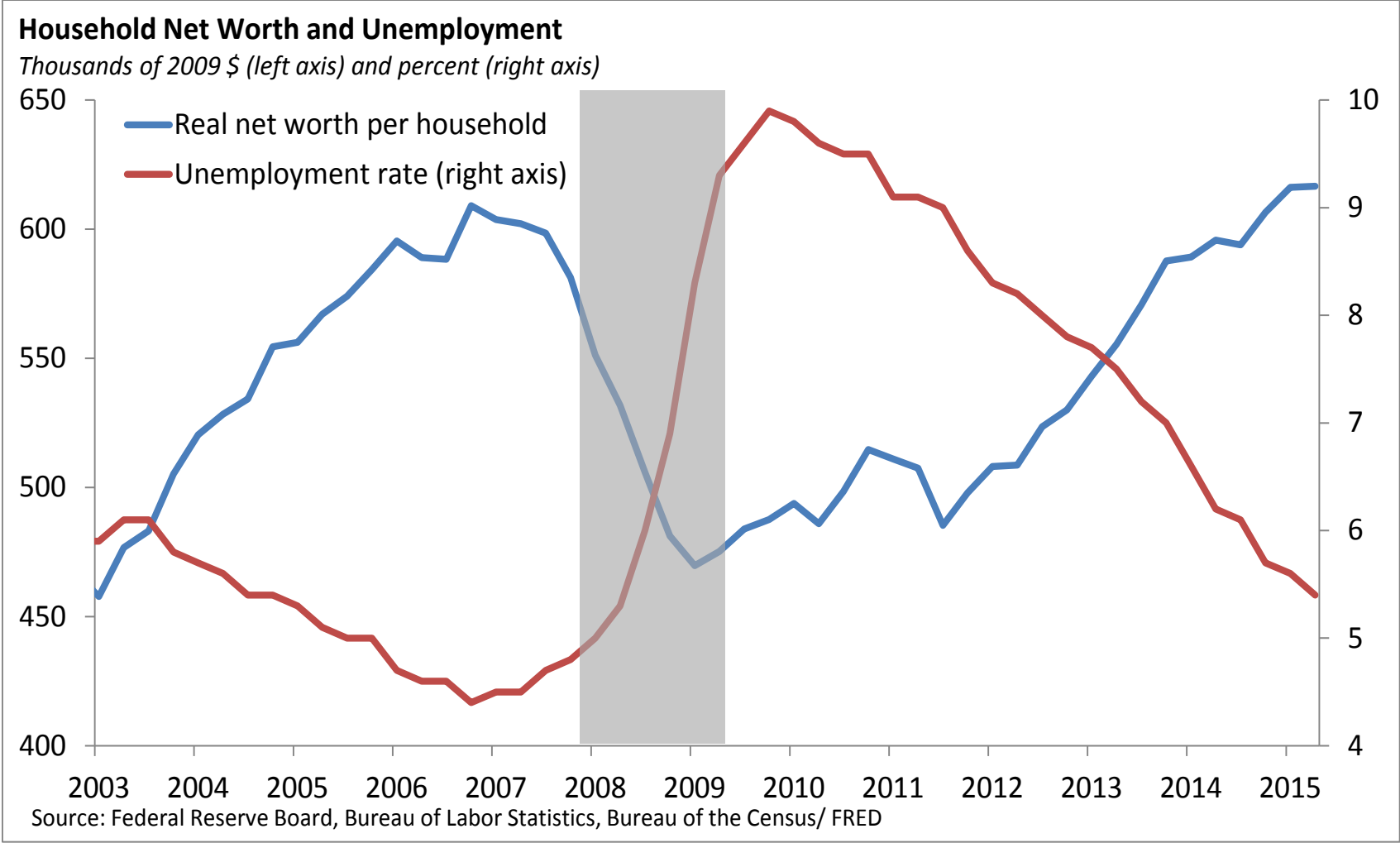
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Federal Reserve Bank of St. Louis | www.stlouisfed.org/hfs

**These are my own views, and not necessarily the views of the Federal Reserve Bank of St. Louis, Federal Reserve System, or the Board of Governors*

The Great Recession Erased Two Decades of Growth in Income and Wealth



Family Net Worth and Unemployment



The (St. Louis) Fed's response...

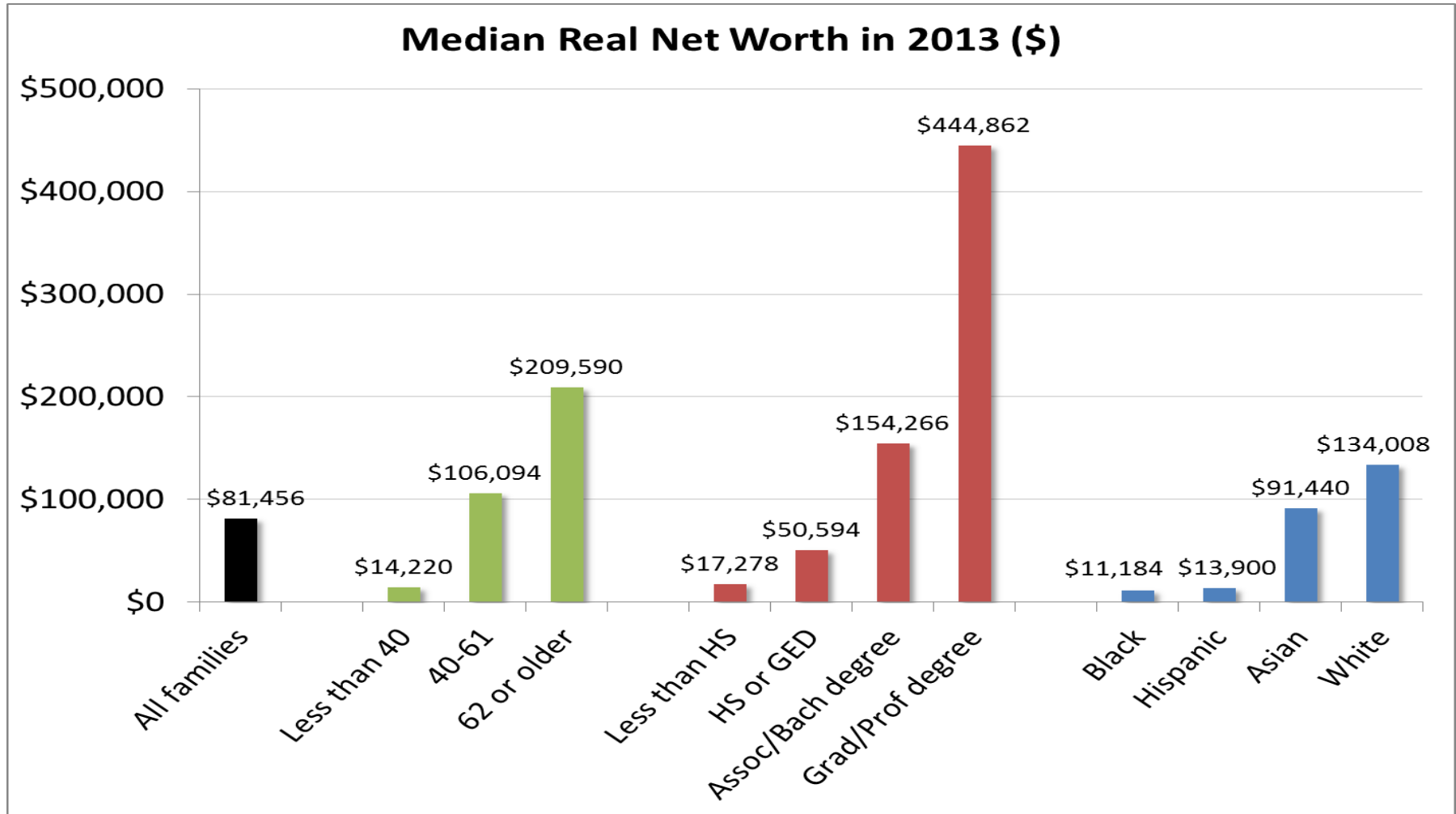


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How Age/Birth Year, Education, and Race/Ethnicity is Associated with Wealth

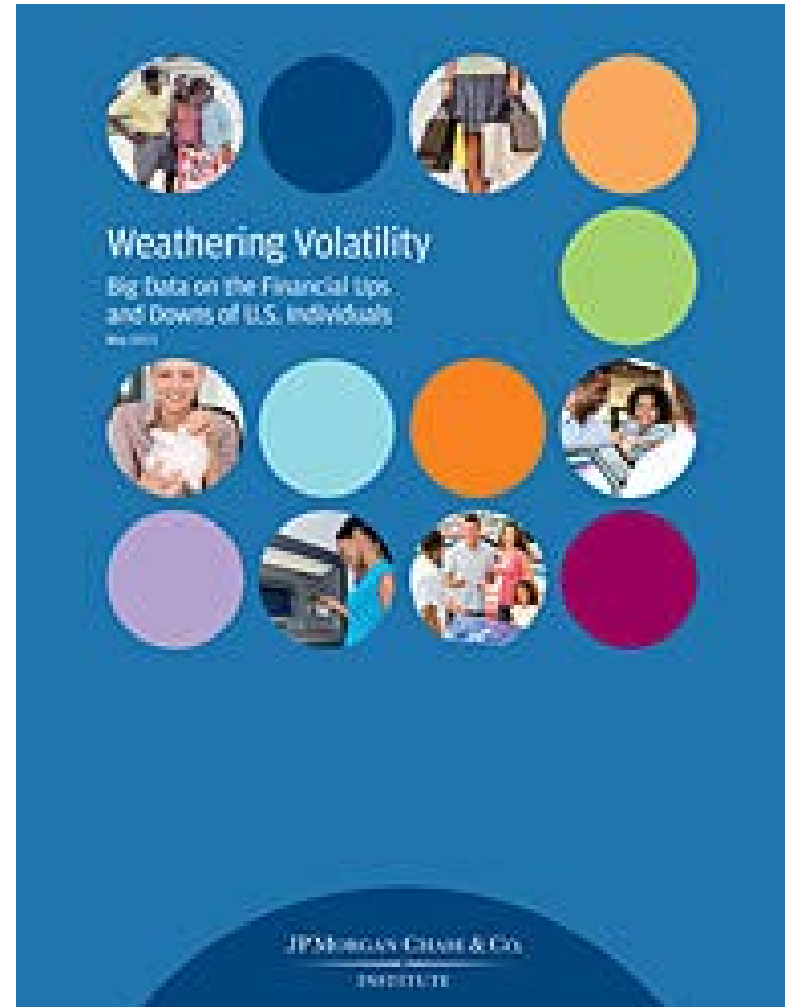
(Emmons and Noeth, 2015)



Income & Expense Volatility—A New Normal?

www.usfinancialdiaries.org

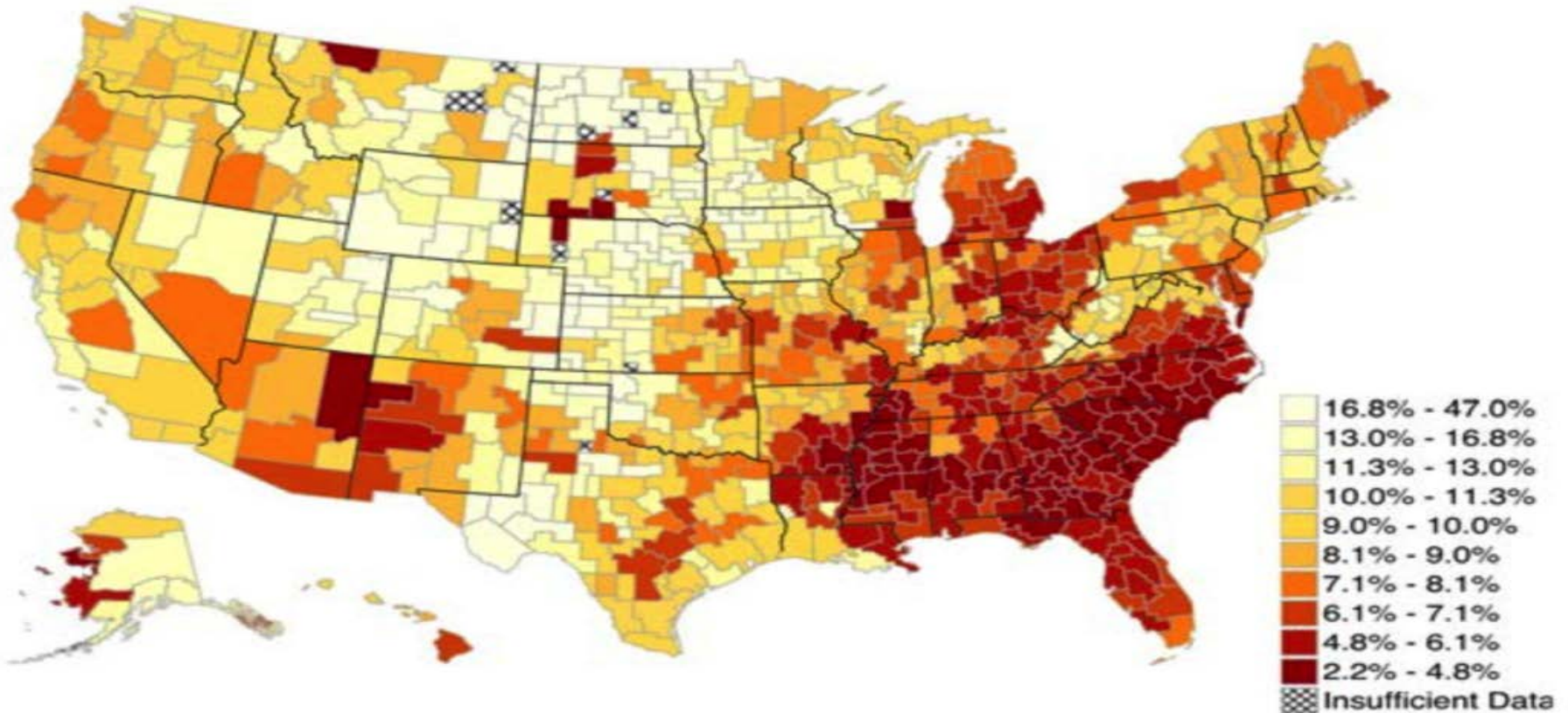
www.jpmorganchase.com



Place Matters

Probability of Reaching Top Quintile from Bottom Quintile

Raj Chetty et al., Equality of Opportunity Project, 2014

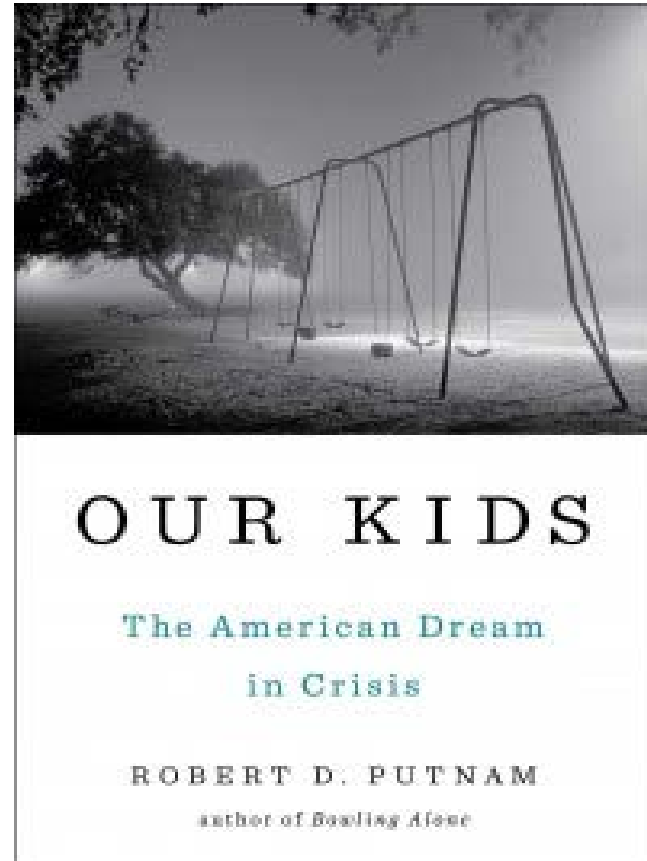
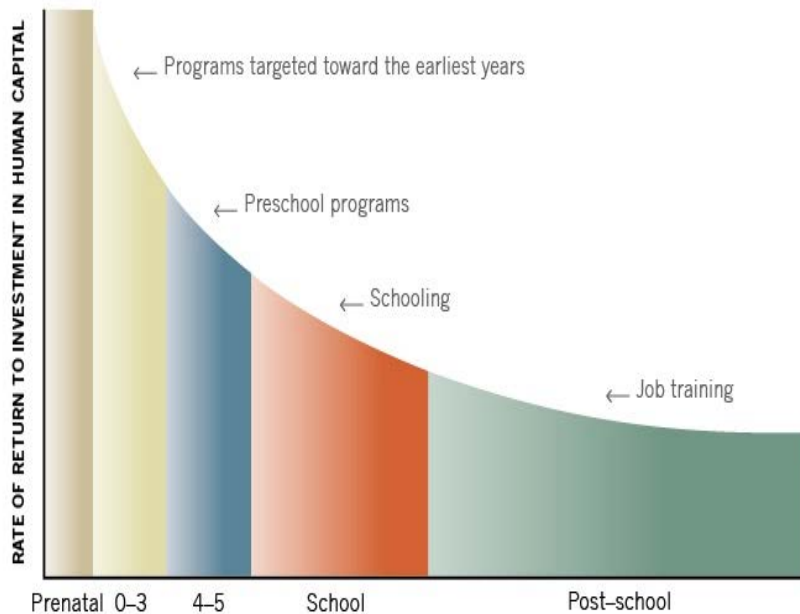


Corr. with baseline $\bar{r}_{25} = 0.91$ (unweighted), 0.92 (pop-weighted)

Early Investments Matter

Returns on Human Capital Investments (James Heckman)

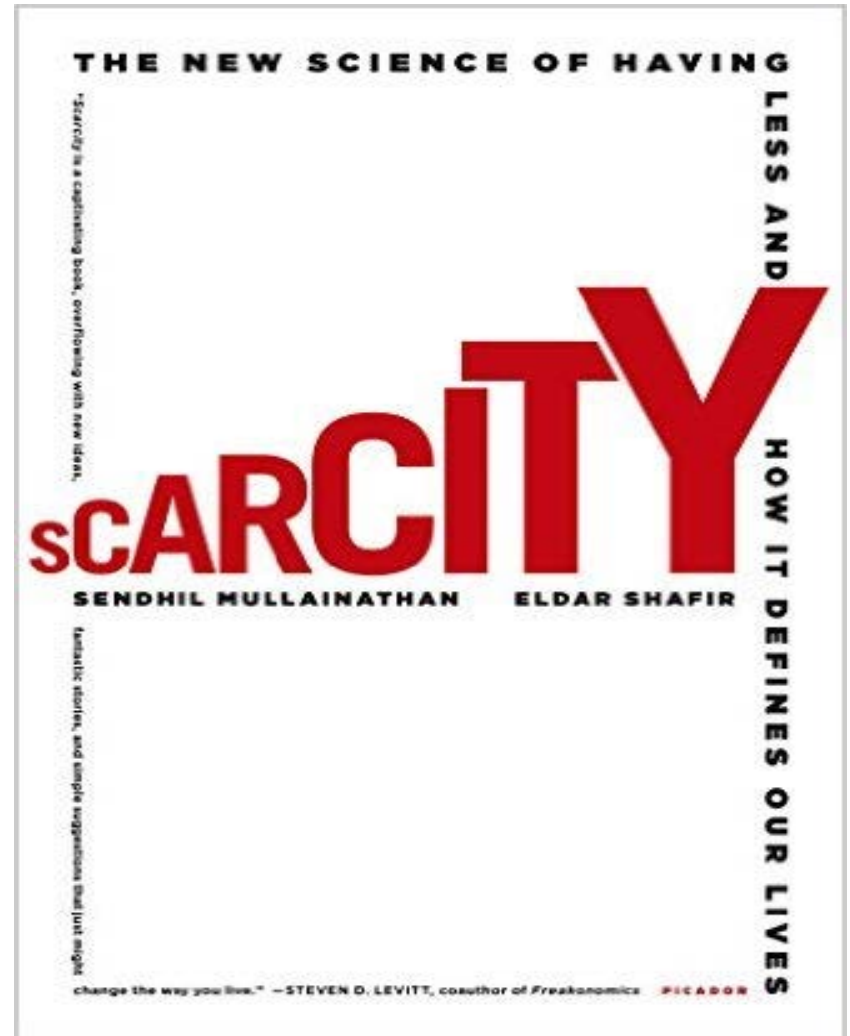
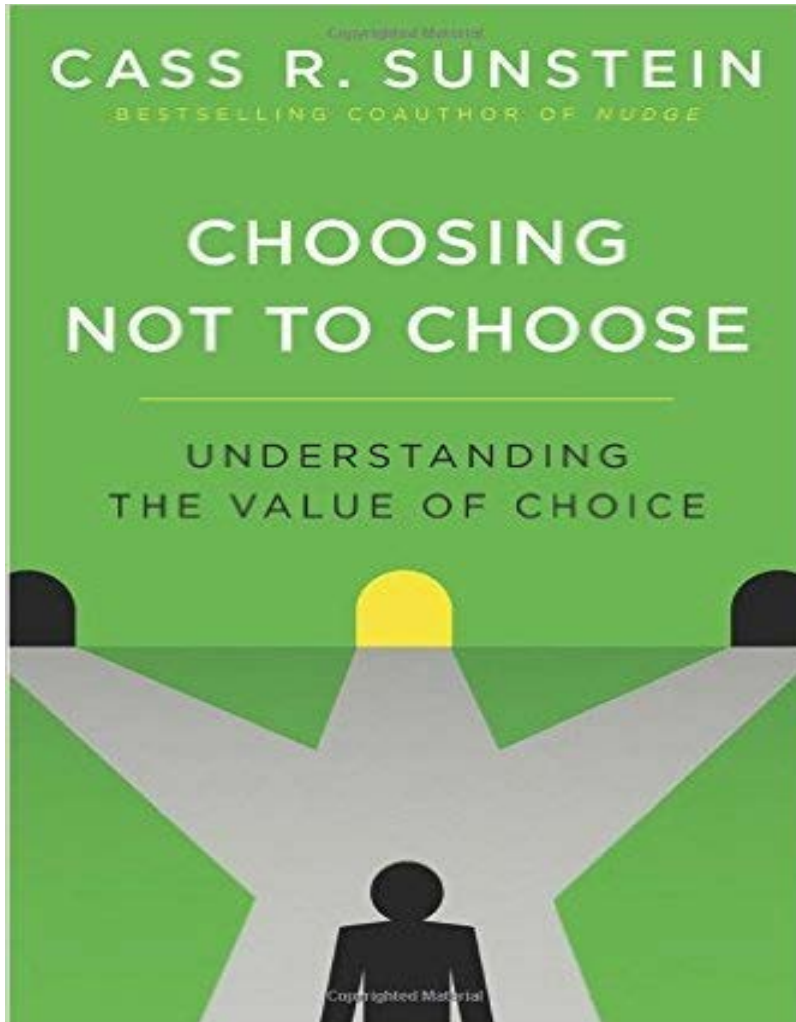
Returns to a Unit Dollar Invested



Does Financial Education Matter? Yes, *but...*

Institutions may matter more, and...

“Bandwidth” may matter more.



Promising Policies: A Two-Generation Approach

*For parents and adults:
rainy day/emergency savings
reserves*



*For babies and children:
child development accounts*



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Is Larger-Scale, Systems Change Possible?

www.amazon.com

www.strongfinancialfuture.org

