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FINANCIAL  
STABILITY**<sup>®</sup>

Researching Family Balance Sheets to Strengthen  
Families and the Economy | [stlouisfed.org/hfs](http://stlouisfed.org/hfs)

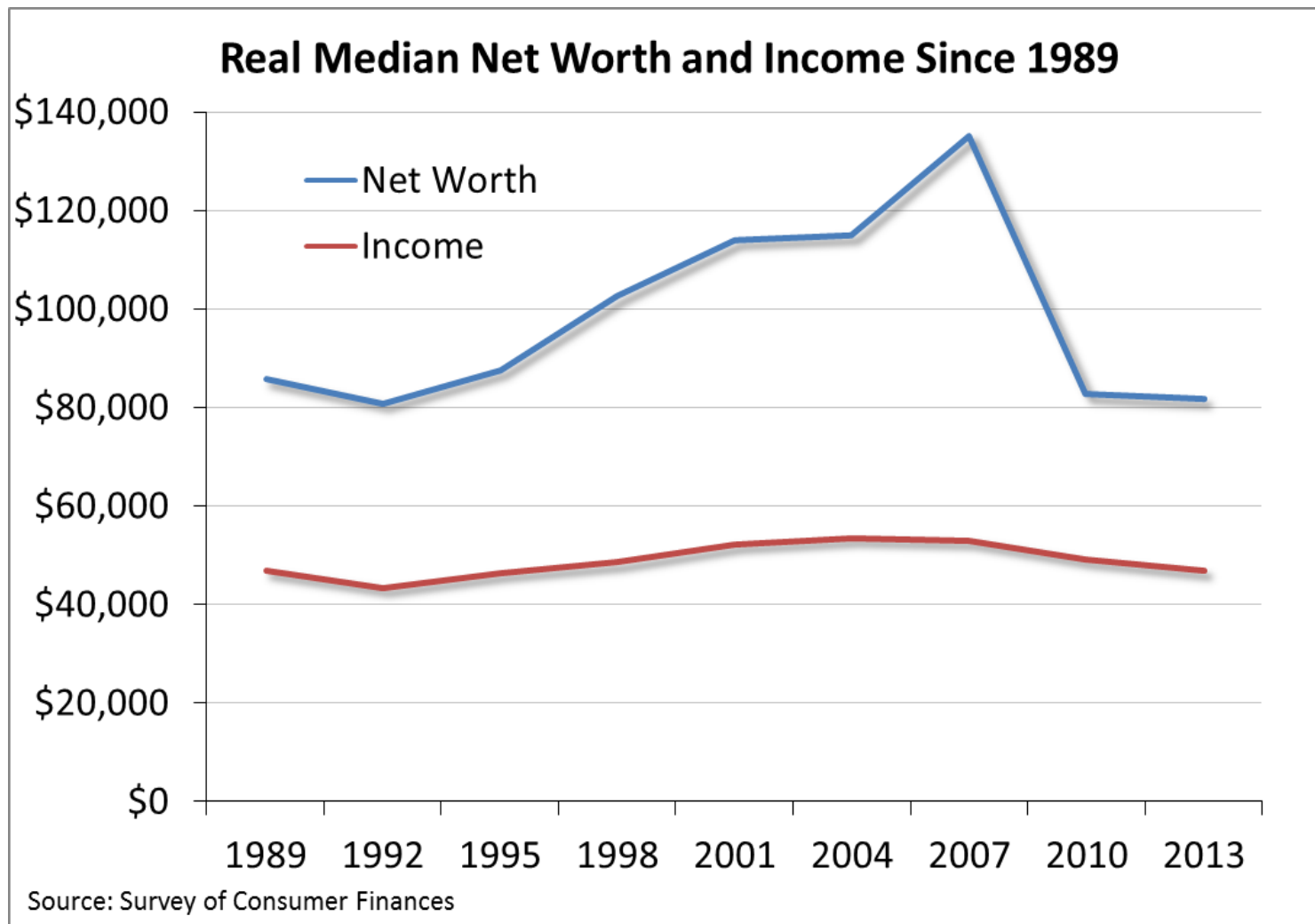
# Rebuilding Family Wealth, Rebuilding the Economy: The U.S. Experience

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

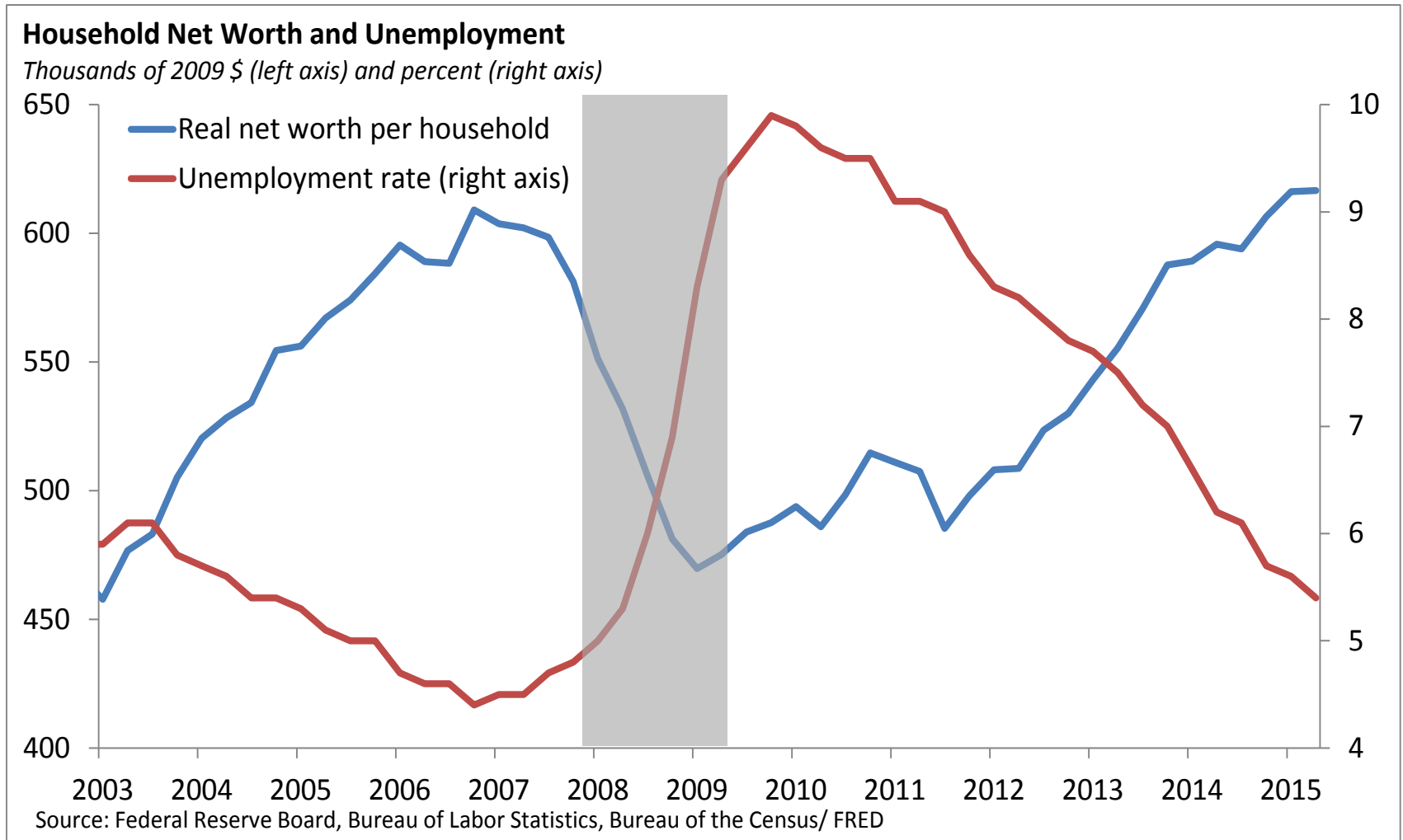
Ray Boshara\*  
Senior Advisor; Director, Center for Household Financial Stability  
Federal Reserve Bank of St. Louis | [www.stlouisfed.org/hfs](http://www.stlouisfed.org/hfs)

*\*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...

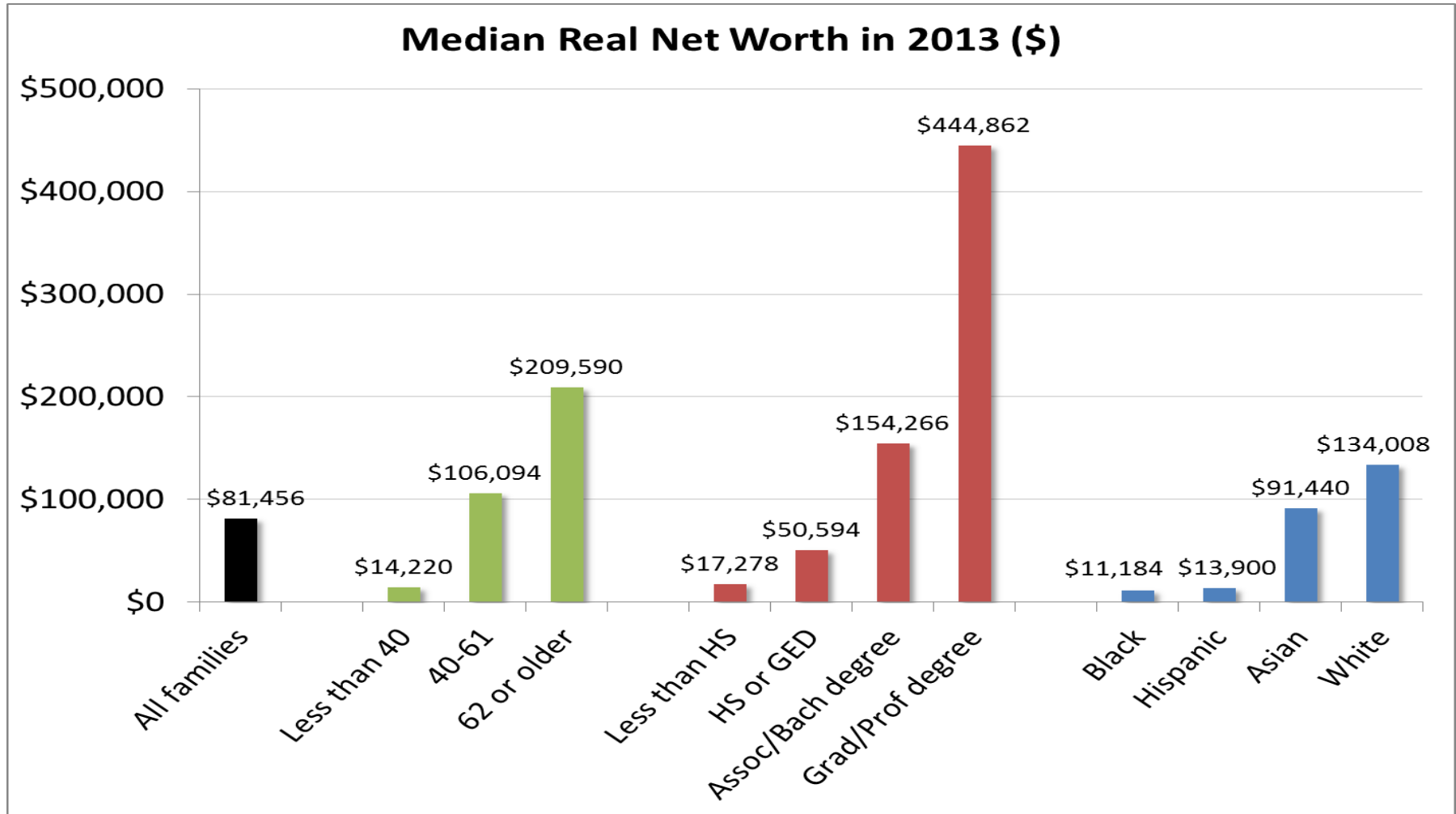


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# How Age/Birth Year, Education, and Race/Ethnicity is Associated with Wealth

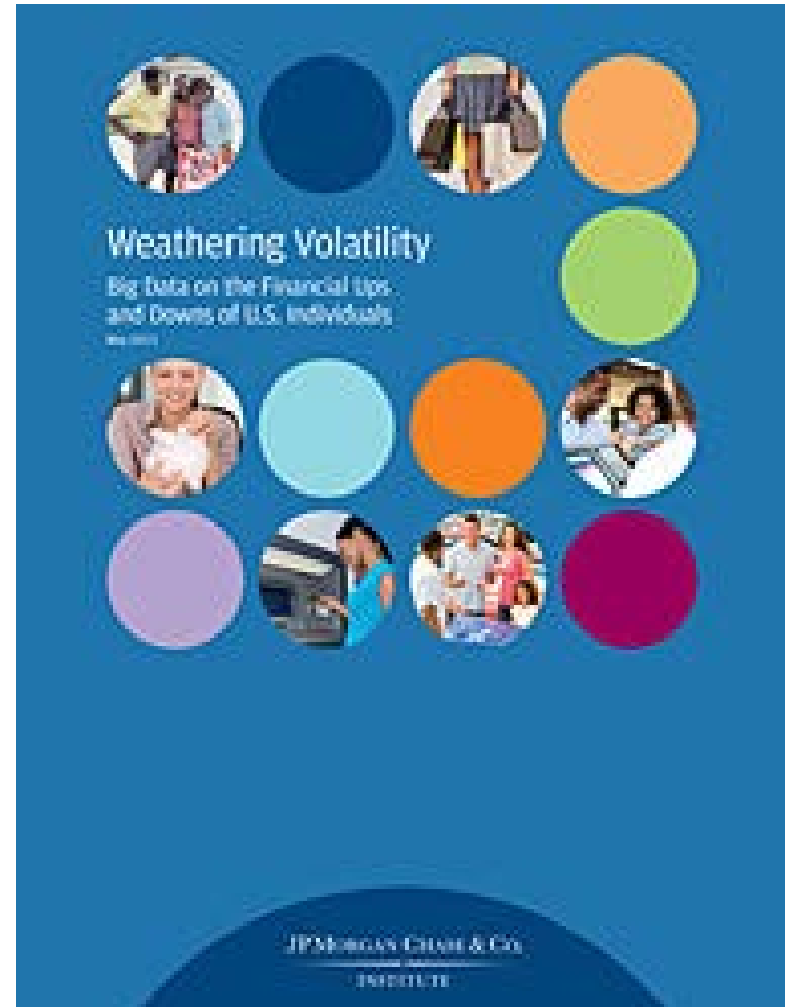
(Emmons and Noeth, 2015)



# Income & Expense Volatility—A New Normal?

[www.usfinancialdiaries.org](http://www.usfinancialdiaries.org)

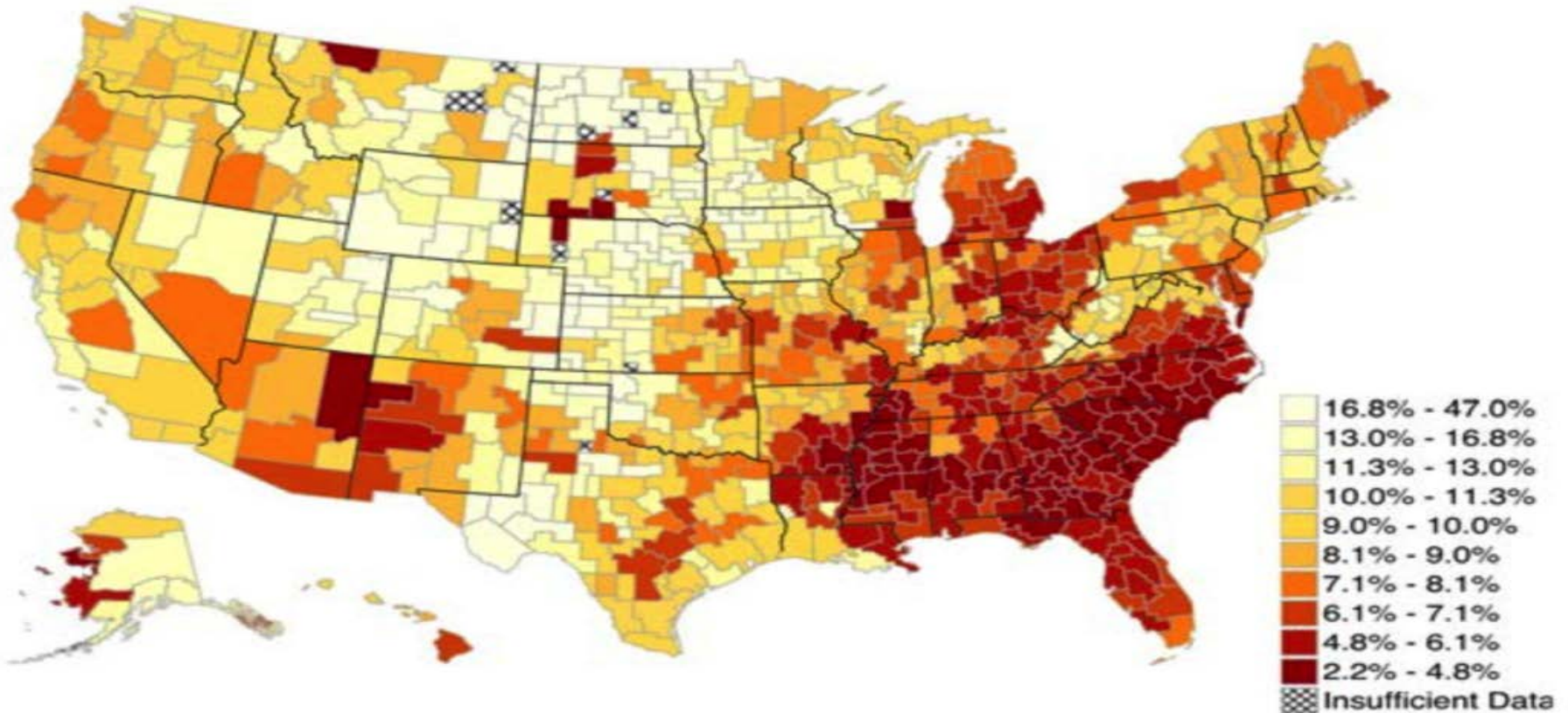
[www.jpmorganchase.com](http://www.jpmorganchase.com)



# Place Matters

## Probability of Reaching Top Quintile from Bottom Quintile

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



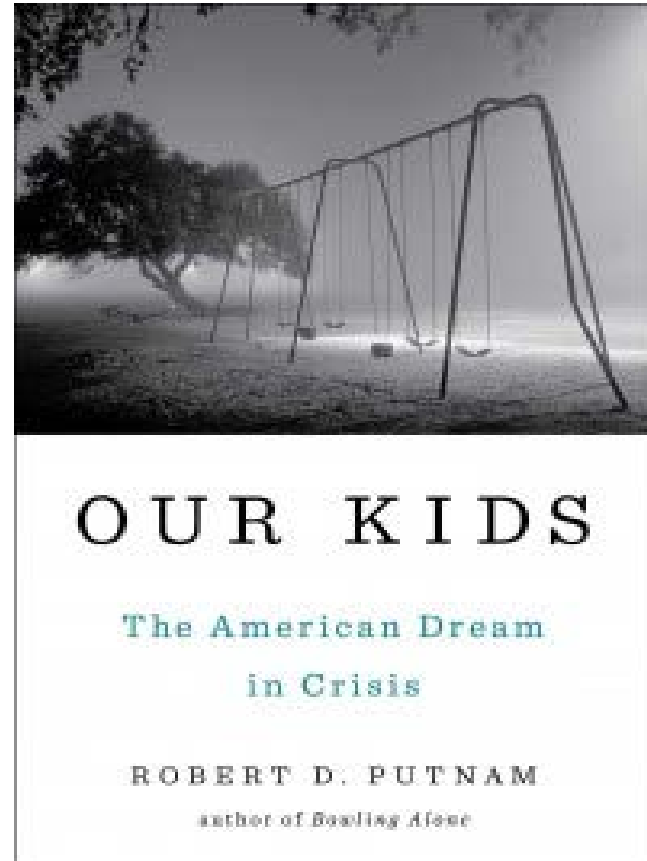
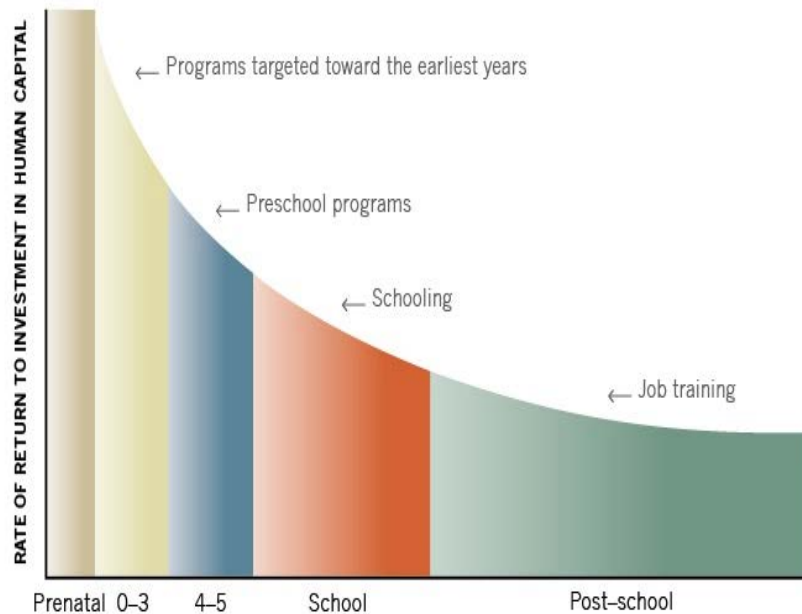
Corr. with baseline  $\bar{r}_{25} = 0.91$  (unweighted), 0.92 (pop-weighted)



# Early Investments Matter

## Returns on Human Capital Investments (James Heckman)

### Returns to a Unit Dollar Invested

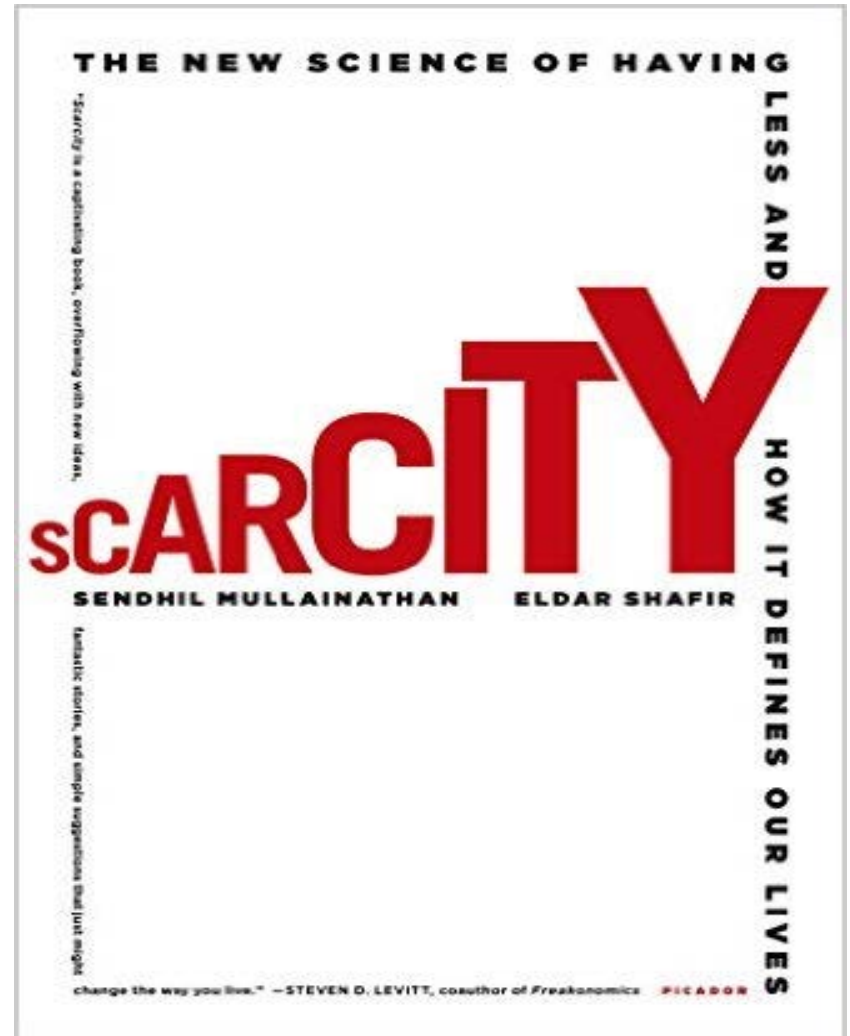
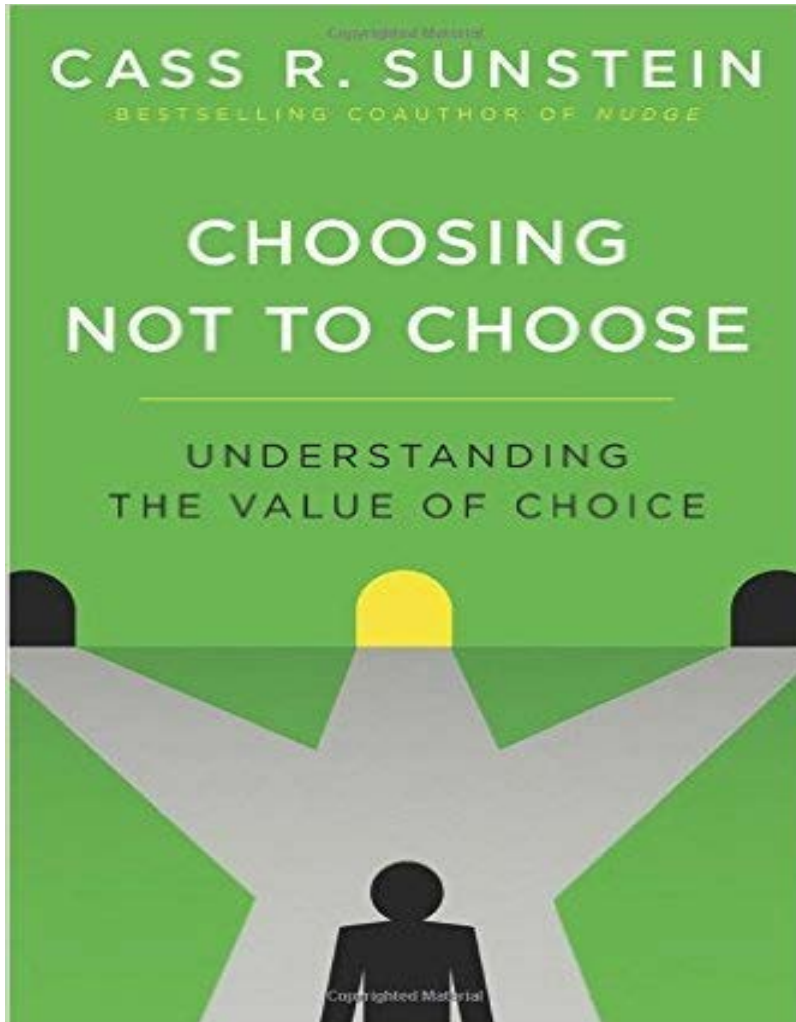




# Does Financial Education Matter? Yes, *but...*

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*



# Is Larger-Scale, Systems Change Possible?

[www.amazon.com](http://www.amazon.com)

[www.strongfinancialfuture.org](http://www.strongfinancialfuture.org)

