

Which Generation Holds the Most Wealth, and Why Gen Z Feels the Squeeze

KEY TAKEAWAYS

- On the whole, Baby Boomers hold far more wealth than younger generations because they have had more time to buy homes, build retirement assets, and benefit from long asset booms.
- Gen Z is not “bad with money” by default. It is trying to enter adulthood during a period of high housing costs, elevated debt burdens, and unstable cash flow for many households.
- Generational comparisons are useful only when we remember they describe broad trends, not every individual story.

Whenever people compare generations, the conversation often turns into stereotypes. Older people are called lucky. Younger people are called careless. Neither label tells the full truth. A better question is this: when we look at wealth across the whole country, which generation holds the most, and why is it so much harder for younger adults to feel financially secure?

On aggregate, the answer is not especially surprising. Older generations, especially Baby Boomers, control a much larger share of wealth than younger groups. That does not mean every Boomer is rich, and it does not mean every member of Gen Z is doomed. It means that, as a group, Boomers have had more years to buy homes, pay down debt, build retirement savings, and benefit from decades of rising asset values. Time matters in personal finance, and time is one advantage younger generations simply have not had yet.

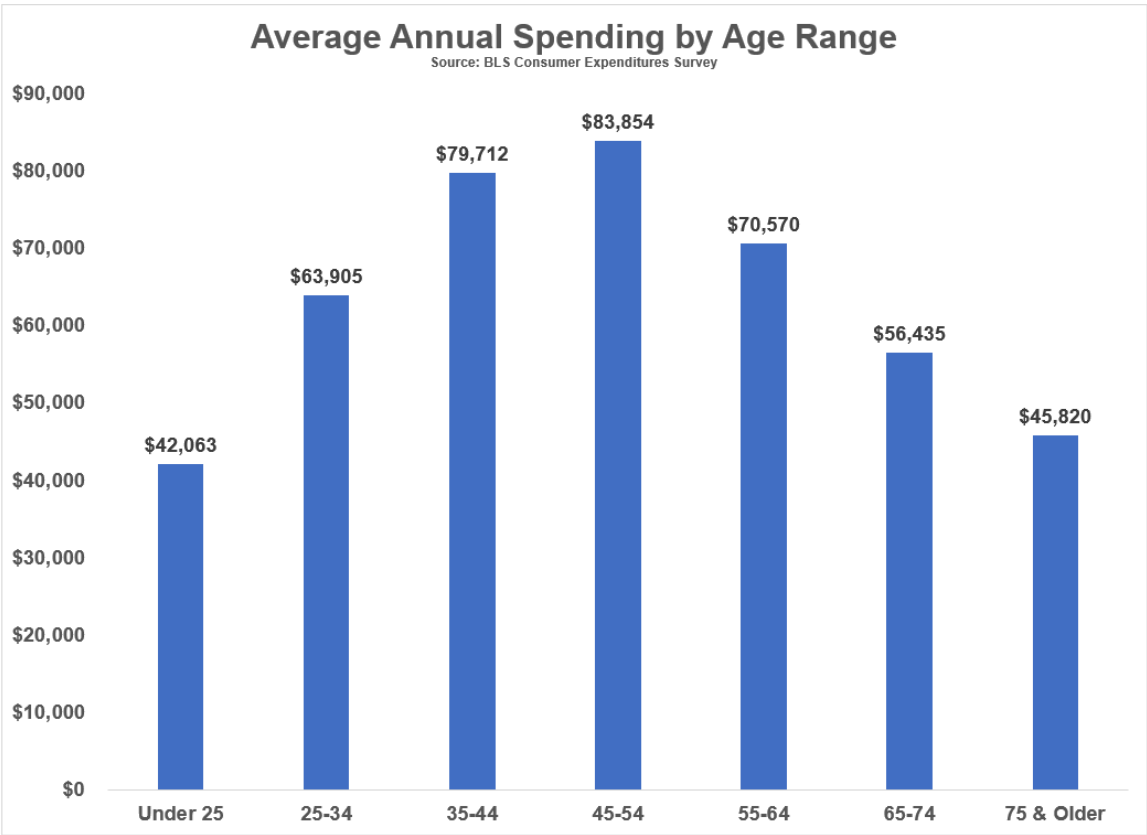
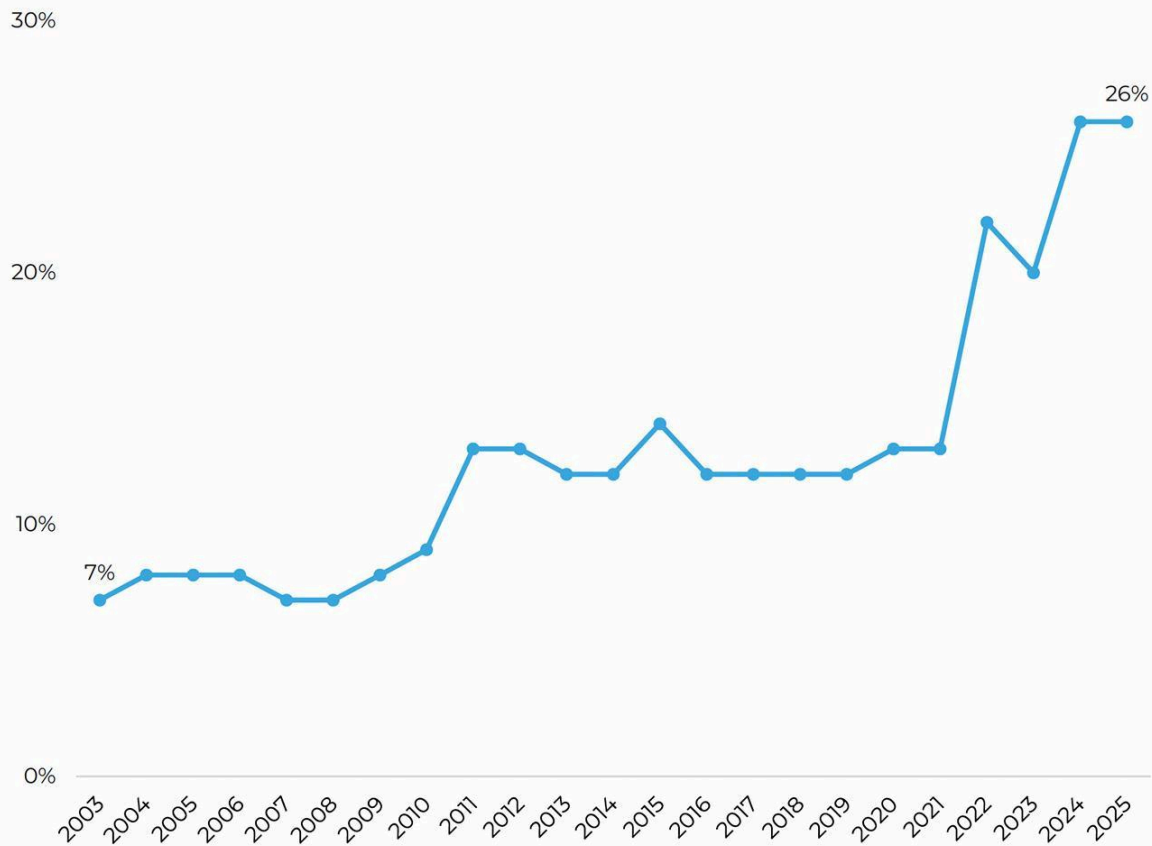


Figure 1. Average annual spending tends to peak in middle age and decline later in life. Source: user-provided chart based on BLS Consumer Expenditure Survey data.

Spending patterns help explain part of the difference. Middle-aged households are often in their peak earning and peak spending years. They may be supporting children, paying mortgages, commuting, and handling many large recurring bills at once. Older households often spend less overall, especially after leaving the most expensive family-building stage of life. That does not make them automatically wealthier, but it can make it easier to preserve assets once the highest-pressure years have passed.

Exhibit 5-8 All-Cash Buyers, 2003–2025 (Percentage Distribution)



Source: 2025 Profile of Home Buyers and Sellers
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Figure 2. All-cash buyers reached very elevated levels in the modern housing market. Source: user-provided chart from the National Association of REALTORS®.

Housing is another huge piece of the story. Older buyers are much more likely to bring accumulated equity into the market. Younger buyers are more likely to be trying to enter for the first time, often with higher prices, higher required down payments, and mortgage rates that remain restrictive. When a market is dominated by repeat buyers with cash or large equity cushions, first-time buyers face a much steeper climb. It is not only that homes are expensive. It is that the competition is structurally stronger.

Many Americans Aren't Prepared for an Emergency

Unfortunately, many Americans simply aren't prepared for an emergency. According to a [U.S. News survey](#), two in five Americans (42%) have no emergency fund, and 40% couldn't cover a \$1,000 emergency expense. Despite this, 60% of Americans had an emergency expense pop up in the last year.

That means that many will have to turn to [credit cards](#), payday loans or other high-interest borrowing solutions to cover costs.

Figure 3. A UCLA youth study found strong interest in the American Dream, but also deep concern about whether it is realistically attainable. Source: user-provided chart from UCLA coverage.

This helps explain why Gen Z often sounds anxious about the future. Surveys of young people show that many still want financial independence and stability, but they are much less confident about how achievable those goals really are. From their point of view, the barriers are visible everywhere: expensive rent, difficult housing entry, shaky entry-level job prospects in some sectors, and the fear that technology could change the labor market before they have built a stable base.

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Key takeaways:

- 86% of young people in a Center for Scholars & Storytellers at UCLA study said they want to achieve the American dream in some capacity — but indicate finances are a significant barrier.
- 74% say it's harder for their generation to achieve happiness compared to previous generations.
- 50% of respondents say social media has the biggest influence on how they view the American dream, ranked above movies, TV shows, news, podcasts or other forms of media. And more than half of young people (54%) say they want to see more characters dealing with finances or money-related issues in movies and TV shows.

Teens and young adults still want many traditional aspects of the American dream — including financial success as a result of hard work, and happiness — but they remain skeptical of its achievability due to economic obstacles, according to a [new report](#)  from the Center for Scholars & Storytellers at UCLA.

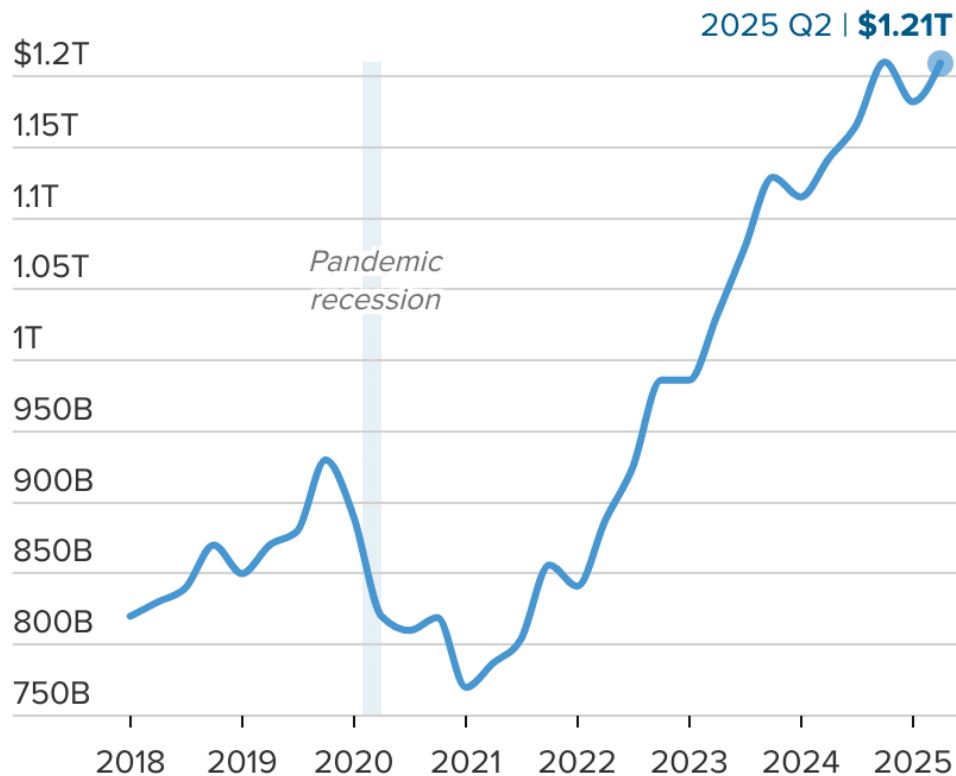
The study surveyed 1,500 young people ages 14-27. Respondents closely reflected the U.S. Census in terms of race and gender. The vast majority (86%) said they still find the American dream desirable, but more than half (60%) said it would be difficult for them personally to achieve it. Economic challenges were reported as the primary barrier to achieving the American dream.

Figure 4. Emergency savings remain thin for many Americans. Source: user-provided chart citing a 2025 U.S. News survey.

The problem gets worse when emergency savings are weak. A household that cannot cover even a relatively modest surprise has much less ability to invest, wait, or recover. Instead of compounding upward, it starts compounding stress. That is why the lack of emergency reserves matters so much in generational conversations. It is not just about one bad month. It is about how quickly one bad month can turn into longer-term debt.

Credit card debt in the U.S.

Total balances | Q1 2018–Q2 2025



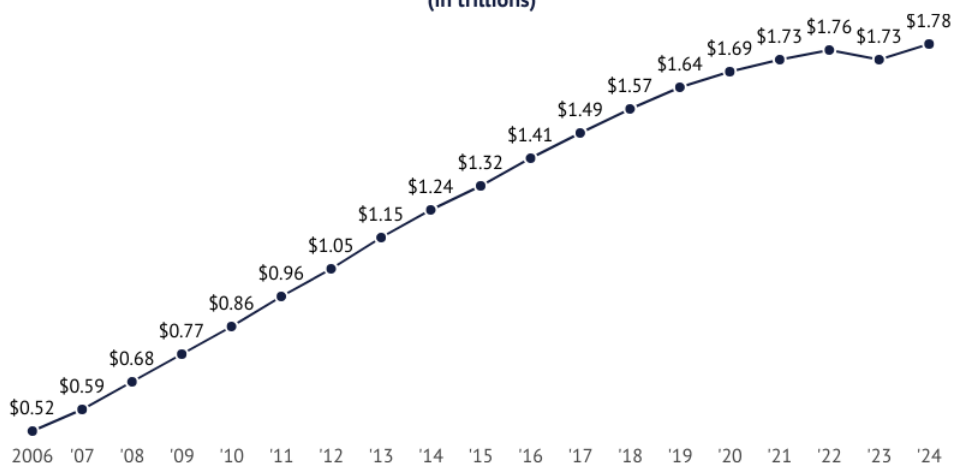
Source: Federal Reserve Bank of New York
Quarterly Report on Household Debt and Credit
Data as of August 2025



Figure 5. Credit card balances remained historically high in 2025. Source: user-provided chart based on New York Fed data.

Historic Total* National Student Loan Debt

(in trillions)



Education Data Initiative source: U.S. Federal Reserve

*Totals as of each year's fourth fiscal quarter.

Figure 6. Student loan debt has risen dramatically over the longer run. Source: user-provided chart.

Credit-card balances and student loans make the squeeze even clearer. High revolving debt raises the cost of being alive in the present. Student debt can delay saving, moving, buying, and investing in the years when people are supposed to be building momentum. Put those two pressures together with high housing costs, and it becomes easier to see why so many younger adults feel as though they are running hard without moving very far.

So who is the richest, and who has the hardest climb? On the broad trend line, Boomers remain the wealthiest generation, while Gen Z faces the steepest uphill path. But the most useful lesson is not to turn that answer into blame. It is to understand structure. Older generations benefited from time, earlier housing entry, and long periods of asset appreciation. Younger generations are entering adulthood in a much tighter environment, where cash flow, debt, and housing access all matter more than ever.

For a young reader, that can sound discouraging, but it should also sound clarifying. If the system is harder, then strategy matters even more. Build the emergency fund early. Treat high-interest debt as dangerous. Grow income skills before lifestyle inflation takes over. Start investing as soon as the foundation is stable enough to do so. No generation gets to choose its starting conditions, but every generation still benefits from learning how wealth is actually built.

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