



## Press Release

# Trump Accounts Are Here: What to Know

ALLIE WATSON | MARCH 4, 2026

The One Big Beautiful Bill Act created a new custodial-style individual retirement account for minors known as “Trump Accounts,” adding to the growing list of tax-advantaged savings vehicles to encourage savings for a child’s future. In a new insight, Director of Competition Policy Fred Ashton considers the structure of these accounts and concludes there are simpler alternatives to achieve the same policy goals.

Key points:

- *The legislation permits annual contributions up to \$5,000 from multiple sources - each with distinct tax treatments - and provides a one-time \$1,000 federal seed contribution for certain children born between 2025-2028.*
- *While well-intentioned, Trump Accounts simply add to the web of special-purpose accounts that not only add enormous complexity and costs to the tax code, but make it more challenging for individuals to optimize savings decisions.*
- *Policymakers could instead look to simplify the tax code by consolidating the existing menu of savings vehicles via universal savings accounts.*

[Read the analysis.](#)