

Trump Accounts – What you need to know!

As of December 18, 2025

How to Accumulate wealth and make your child or grandchild a millionaire.

Trump Accounts represent a potentially valuable tool for building up savings and tapping the power of [compound growth](#) for the young.

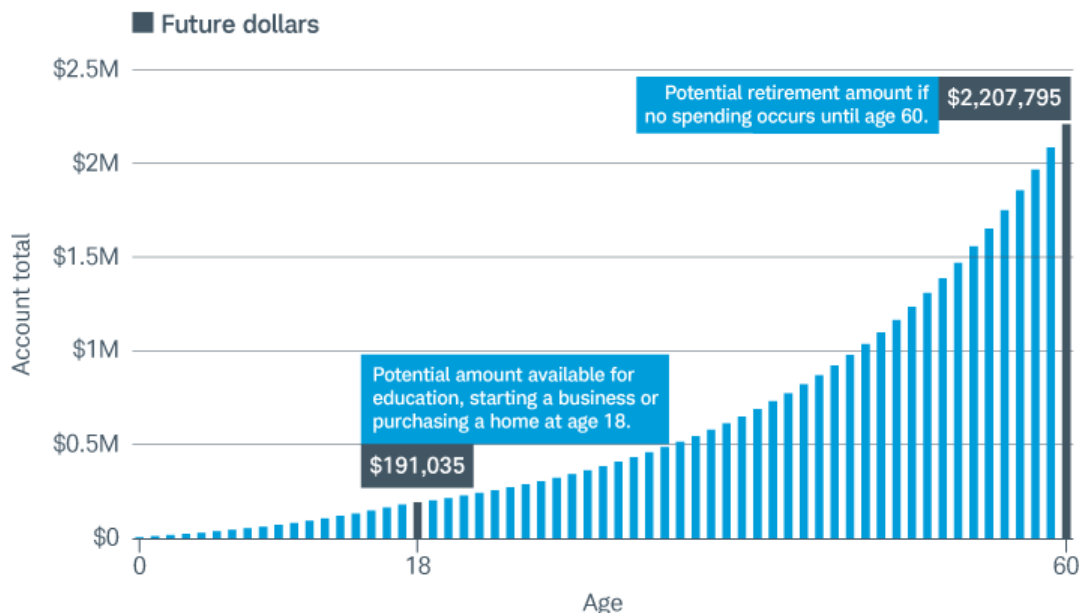
Some families may also be able to use them as part of their estate-planning strategy, as these accounts could give parents or grandparents a place to transfer wealth from their taxable estate, while giving the child a huge boost in retirement savings.

For example, imagine a family that could contribute to and invest the full \$5,000 in a Trump Account (adjusted for a 2.3% inflation rate per year) for the entire 18 years.

Assuming a reasonable growth rate of 6%, by age 18, the child's account would hold around \$191,000 in assets, comprising about \$108,000 in after-tax contributions (which would no longer be included in the family's estate), and about \$83,000 in investment gains.

At that point, the beneficiary could convert the account to a traditional IRA, meaning it could continue to accumulate potential gains on a tax-free basis. Even if the beneficiary made no additional contributions to the account, by the time they reached age 60, the account could be worth more than \$2.2 million.

Potential growth of a Trump Account with maximum contributions



Assumes 2026 government contribution of \$1,000 and parental contribution of \$5,000 for child born in 2026, followed by annual parental contributions of \$5,000, which are adjusted for inflation at a rate of 2.3% beginning in 2028. Parental contributions continue through the year the child turns 17. Assumes investment growth of 6.0%. Dividends and interest are assumed to have been reinvested, and the example does not reflect the effects of fees which would cause performance to be lower. For illustrative purpose(s) only. Individual situations will vary. Not intended to be reflective of results you can expect to achieve.

What about a Roth conversion after age 18? In this case, any pre-tax sums in the account will generally be taxed at the beneficiary's ordinary income tax rate. After the conversion, potential gains could accumulate in the account tax-free and withdrawals after age 59 ½ would also be free of taxes. (Parents or grandparents could add to the tax advantages by paying the taxes due on the conversion via a gift.)

Many rules and regulations need to be settled before we have a full picture of how Trump Accounts work. That said, Trump Accounts could join IRAs and 529 savings plans as tax-advantaged savings vehicles that could help families build wealth for the next generation.

Call or send an email if you wish to discuss this further!

Amy Smith

A Smith Financial

716 796 8847

amy@asmithfinancial.com