Hearts&Wallets
The source for retail investor data & insights

Growth in U.S. Household Wealth

Role of Real Estate and Importance of Allocating Savings by Account Type

(June 25, 2025, Rye, NY) – U.S. household wealth grew 13.3%, or $10.3 trillion, over the past year with higher-asset households seeing the most gains, according to a new market sizing report by Hearts & Wallets, the independent data and benchmarking firm that specializes in buying patterns in saving, investing and financial advice.

Portrait™ of U.S. Household Wealth 2025: A Closer Examination of the Increase in Investable Assets and Household Finance provides the foundation for sizing U.S. retail investors. *Portrait* incorporates detailed analysis of government data to establish aggregate market size. Hearts & Wallets Investor Quantitative™ (IQ™) Database – with over 120 million data points from 80,000 U.S. households since 2010 – provides timely, detailed data on asset distribution and assets by account type. This year, the report also highlights the latest data on sources of income, portfolio allocation, saving rate and allocation of savings by account type.

U.S. Household Wealth

132.2M U.S. households controlled $88.2 trillion of investable assets, representing 58% of household wealth, as of year-end 2024[1]. Within the $88.2 trillion, a 2-to-1 taxable-retirement split occurs at the national level with $56.2 trillion in taxable accounts and $32.1 trillion in consumer-controlled retirement accounts. IRAs are the biggest component of retirement assets and are growing more quickly than defined contribution (DC) or annuities. IRAs total $16.8 trillion, and defined contribution (DC) is $11.9 trillion. IRAs account for more than half (52%) of retirement accounts and 1 in 5 (19%) dollars of investable assets overall.

Role of Real Estate

Investable assets are the leading component of total household wealth of $150.8 trillion, followed by net equity in real estate (No. 2 at $34.7 trillion or 23%), and private business and promised future DB pension benefits. In percentage terms, net equity in real estate has grown in relative importance to other components of household wealth, up from 17% in 2015. Of the 4 components, net equity in real estate is also growing fastest at a 7-year CAGR of nearly 14%.

“Financial services firms should ensure advice and investment solutions are as robust for taxable accounts as for retirement,” Laura Varas, CEO and founder of Hearts & Wallets, said. “Furthermore, beyond investable assets, real estate should be an important aspect of advice since many households have equity in their homes and other real estate that is equal or greater than their investable assets.”

- more -

[1] The 2024-year-end number remains a good measure of current U.S. household wealth since markets have settled after recent volatility to recover to the number near the end of 2024.

Building Wealth for Lower-Asset Households

Most growth in investable assets went to higher-asset households with $5.3 trillion of the $10.3 trillion gain in investable assets going to households with $10 million-plus. Lower-asset households hold most of their investable assets in cash. For lower asset levels, where capital markets have little impact, saving can be the only way to grow savings. Most married/partnered households report a primary breadwinner with most households within the range of a 30%-to-70% income split among spouses/partners.

Importance of Saving Allocation

Household awareness of allocation of savings across account types – an important financial decision about which little advice is currently available – is rising. Two thirds (67%) of households save annually and know how they allocate their savings across account types, up 7 percentage points from 60% in 2019. Today, 1 in 3 households (32%) saves 10%-plus of household income.

At the national level, bank savings/certificates of deposit (CD) account types are the most common destinations for saving, used to some degree by 55% of households, followed by employer-sponsored savings plans (ESRPs) and IRAs, used by 42% and 30% of households, respectively.

The 5-year trend at the national level shows rising incidence of saving into ESRPs and IRAs, both up 5 percentage points, and bank savings/CDs, up 4 percentage points.

"Saving allocation across account types is an important financial decision with long-term consequences," Amber Katris, Hearts & Wallets Subject Matter Expert, said. "Opting for too much in retirement accounts can result in households struggling to achieve other goals like buying a house or paying for college. The data identify the importance of saving and into which accounts, especially for lower-asset and younger households."

The full report contains data on primary sources of household income, household eligibility for employee-stock purchase plans (ESPP), employee stock ownership plans (ESOPs) and types of equity compensation

Methodology
Portrait™ of U.S. Household Wealth 2025: A Closer Examination of the Increase in Investable Assets and Household Finance provides the foundation for sizing U.S. retail investors. and is based on government data and the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 120 million data points on saving, investing and advice behaviors from 80,000 U.S. households the past 15 years. The latest wave was fielded Jul. 17-Aug. 9, 2024, with 5,989 households.

About Hearts & Wallets
Hearts & Wallets is the data and benchmarking firm that specializes in powering growth for saving, investing and financial advice businesses with competitive buying patten data. Leading firms rely upon Hearts & Wallets market intelligence reports, software and benchmarking to make strategic decisions that lead to growth by making products and services more consumer centric. Over 70% of Hearts & Wallets subscribers experienced positive net flows as compared to just 30% of non-subscribers. For more information, visit www.heartsandwallets.com.

Media Contact
Lynn Walters lynn@heartsandwallets.com
800-930-0966 ext. 704

Hearts & Wallets, CEO & Founder
Laura Varas laura@heartsandwallets.com
800-930-0966 ext. 700

###