Trump Accounts and Baby Bonds Are No Substitute for Equal Treatment Under Law


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Rhode Island's new baby-bond program is being promoted as a tool to help low-income children build wealth and promote "economic equity," but it rests on a dangerous premise: that government should redistribute taxpayer money into state-managed accounts for select children. Although encouraging parents to save and invest for their children is a worthy goal, the state's program expands government dependency, picks winners and losers, and treats wealth-building as a political program rather than a matter of family responsibility, private property, and the 14th Amendment's equal treatment under the law.

H6071 (2025) creates the Rhode Island Baby Bond Trust. Under the law, the state will establish a $3,000 trust for each eligible Rhode Island child from birth to age one whose parent or guardian was enrolled in the Rhode Island Works program during the child's first year of life. The program is administered through the Office of the General Treasurer, which will hold and invest the funds until the child reaches maturity. The money may later be used for certain approved purposes, including higher education, homeownership, business ownership, or other investments defined by regulation. The bill passed the Rhode Island House by a vote of 62-7 and the Senate by a vote of 34-1 before being signed by the governor on July 2, 2025. At least some Rhode Island legislators voted the right way.

Supporters describe the program as a way to give poor children a better financial start. The Rhode Island Treasury says the program, once fully funded, will create $3,000 accounts for children born to families receiving Temporary Assistance for Needy Families through the Rhode Island Works program, with the funds managed by the Treasurer's Office for 18 years. That may sound compassionate, but good intentions do not make a policy constitutional, fiscally responsible, or just.

Government-directed Wealth Transfers

The central problem with H6071 is not that people should not be encouraged to save, invest, and build wealth — they should. The problem is that the state is using taxpayer money to create government-managed trust accounts for a politically selected class of beneficiaries.

That is wealth redistribution. Taxpayers are compelled to fund accounts for children selected by the state, while other children — whose parents may also struggle, sacrifice, and work hard — receive nothing. Furthermore, a child's eligibility is based on whether his or her family fits a government-defined assistance category.

Government should not pick winners and losers among children, or anyone for that matter. It should not decide that one child deserves a taxpayer-funded investment account while another does not. Nor should it use public money to condition families into looking to the state as the builder of generational wealth.

The proper role of government is to protect God-given rights — not redistribute property in the name of fairness. In a constitutional republic, the law should protect the rights of all citizens equally. It should not create special benefits for one group while forcing others to pay for them.

Dependency Is Not Wealth-building

H6071 encourages a welfare-state mindset. Rhode Island Works is already a taxpayer-funded assistance program. By tying baby-bond eligibility to enrollment in that program, the state reinforces the false idea that government benefits are the pathway to opportunity.

That is not true wealth-building. Real generational wealth comes from work, savings, family stability, private property, financial discipline, and free enterprise. Government can help by getting out of the way — removing barriers, reducing taxes, cutting regulations, and allowing families to save and invest more freely. But when government replaces those principles with state-managed accounts and politically approved eligibility rules, it weakens self-government.

Even the approved uses of the funds reveal the program's bureaucratic nature. The state does not simply allow families to own and direct their own money. Instead, it holds the funds, invests them, and limits future use to government-approved categories. This turns what should be a private family matter into another state-administered program.

That is the opposite of liberty. As the Ninth Amendment affirms, parents — not bureaucrats — should be entrusted with the long-term welfare of their children.

Trump Accounts: A Better Idea, but Still Flawed

The federal Trump Accounts policy, created by the One Big Beautiful Bill Act (H.R. 1) in 2025, points to the same broader issue. Trump Accounts are being promoted as tax-advantaged investment accounts for children. According to the U.S. Treasury, every American child born between January 1, 2025 and December 31, 2028 is eligible for a $1,000 federal contribution, and any American child under 18 may have a Trump Account opened for future savings. The Internal Revenue Service states that the $1,000 pilot-program contribution applies to children born during that 2025-2028 window who are U.S. citizens with a valid Social Security number.

Again, encouraging families to invest early is a good idea. Teaching children the power of compound growth, personal responsibility, and long-term planning is far better than teaching them to depend on welfare programs. In that sense, the concept behind Trump Accounts is superior to traditional redistribution programs because it at least points families toward investment and ownership.

But the policy is still deeply flawed.

By limiting the $1,000 federal contribution to children born during a narrow four-year window, Congress created two classes of American children. A child born in 2024 receives no seed money. A child born in 2026 receives $1,000 from the U.S. Treasury. A child born in 2029 receives nothing. That is not equal treatment under the law; it is government favoritism based purely on birth year.

The program opens the door for children under 18 to have Trump Accounts, but not every child receives the $1,000 subsidy. That distinction matters. The account structure may be useful, but the taxpayer-funded seed money is still a handout, and the arbitrary eligibility window makes the favoritism even more obvious.

TrumpIRA.gov and the Saver's Match

The Trump administration has also promoted TrumpIRA.gov as a new federal platform intended to connect workers without employer-sponsored retirement plans to low-cost Individual Retirement Accounts (IRAs) offered by private-sector financial institutions. According to an April 30, 2026 White House fact sheet, President Donald Trump signed an executive order directing the treasury secretary to establish the platform by January 1, 2027. The order also directs federal officials to ensure eligible workers who contribute to qualifying IRAs receive the federal Saver's Match, under which the federal government contributes up to $1,000 per year to qualifying lower- and middle-income workers who contribute to retirement accounts.

The fact sheet states that roughly 41 million American workers ages 18 to 65 lack access to an employer-provided retirement plan, and 49 million full-time workers and 14 million part-time workers do not receive an employer match for retirement savings. It also says that TrumpIRA.gov will allow workers to compare IRAs based on cost, quality, and investment options, and that the administration wants to clarify the tax treatment of contributions made by philanthropic and charitable tax-exempt organizations to IRAs on behalf of eligible workers.

Elements of this approach are clearly better than state-managed baby bonds. Expanding access to private-sector IRAs, making investment options easier to compare, encouraging voluntary savings, and allowing charities and nonprofits to help workers save are all closer to a free-market solution than Rhode Island's state-run trust-account model. It is far better to help workers keep, save, and invest more of what they earn than to expand welfare dependency.

However, the federal matching contribution still raises the same basic constitutional and fiscal concern: It uses taxpayer money to subsidize selected private accounts. Even if the policy encourages better behavior than welfare programs do, it still relies on federal redistribution and eligibility rules. A sounder approach would be to remove legal and regulatory barriers for all Americans, reduce taxes, allow broader private contributions, and make it easier for workers and families to save without new federal subsidies.

Remove Barriers for All Families

The real issue is much simpler: Parents generally cannot open retirement-style investment accounts — such as custodial IRAs — for children unless the child has earned income. Babies obviously do not have earned income. Rather than creating new government-seeded accounts, temporary pilot programs, matching subsidies, and politically favored eligibility categories, lawmakers should remove the legal barriers that prevent all parents from investing for their children equally.

The sounder policy is straightforward: Allow every parent to open a real investment account for a child without an earned-income requirement. Let parents, grandparents, relatives, churches, employers, charities, and private organizations contribute voluntarily. Let families save and invest without taxpayer-funded subsidies, arbitrary timelines, or government favoritism. When government is involved, there are always strings attached.

That approach would encourage ownership without redistribution. It would help families build wealth without expanding dependency. It would treat children equally instead of dividing them by income category, birth year, or government program.

Other savings vehicles are already available, but they are not the same as a simple, broad, retirement-style investment account open to every child. Lawmakers should simplify the system and trust families rather than create another layer of bureaucracy.

The Constitutional Standard

From a constitutional perspective, Rhode Island's baby-bond program, the federal Trump Accounts subsidy, and the federal Saver's Match all raise the same concern: Government is stepping beyond protecting equal rights and into managing economic outcomes.

The 10th Amendment makes clear that powers not delegated to the federal government are reserved to the states or to the people, and Article 1 Section 8 of does not authorize Congress to enact such laws. But states do not have unlimited moral authority to redistribute wealth merely because the federal government lacks an unenumerated power. State governments are still bound by the principles of republican government, equal justice, private property, and consent of the governed.

When government taxes one family to fund an investment account for another, it is no longer simply protecting rights — it is redistributing wealth. When it limits benefits to select groups, it is no longer treating citizens equally. And when it uses public money to create dependency under the banner of opportunity, it undermines the habits of self-government that liberty requires.

Lawmakers who truly want to help families build generational wealth should reject socialistic wealth-transfer schemes and instead remove barriers that prevent families from saving and investing. Equal treatment under the law — not politically managed redistribution — is the constitutional path forward.

Rhode Island's H6071 may be packaged as compassion, Trump Accounts may be marketed as pro-family investment policy, and TrumpIRA.gov may be framed as retirement security for workers left out of employer plans. But all these proposals should remind Americans of a deeper principle: Government should not be in the business of choosing which children, families, or workers receive taxpayer-funded financial advantages. It should protect the right of all families to build, save, invest, and pass on wealth without favoritism or coercion.

The solution is not more government-managed trust accounts, federal matching subsidies, or politically targeted programs — it is less government interference, lower taxes, stronger families, voluntary charity, private investment, and equal opportunity under law. Citizens should hold their state and federal legislators accountable to those principles by using tools such as *The New American's* Freedom Index and state Legislative Scorecards.

To learn more about how your state and federal legislators vote on issues of constitutional importance, visit The New American's *Freedom Index and state Legislative Scorecards. You can also stay informed about what is happening in your state legislature and in Congress by signing up for legislative alerts here.*