The American Dream at 250

Renewing the promise of opportunity for every American

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Executive summary

The American Dream at 250 continues to evolve, and the markers of a secure life still resonate: meaningful work, education that pays off, access to healthcare, a place to call home and the ability to retire with dignity. What's changed isn't the aspiration, but the path.

Purpose of this report

This report examines six domains where that path has become more complex for many households — economic stability, education, employment, healthcare, housing and retirement — even as new opportunities have emerged. In each area, the evidence is nuanced. For some, costs have risen faster than wages. Careers demand greater adaptability. Caregiving responsibilities are widespread and unevenly supported. And risk has shifted toward individuals at the very moment lives have grown longer and more complex.

At the same time, several encouraging trends are reshaping the landscape. Remote and flexible work are restoring geographic mobility. Alternative credentials and employer-aligned learning are lowering barriers to skill acquisition. Entrepreneurship and ownership pathways are expanding. Benefit strategies are increasingly recognizing caregiving, longevity and nonlinear careers as normal rather than exceptional.

For HR and benefits leaders, this moment represents a strategic opportunity. Decisions about pay, scheduling, learning benefits, healthcare access, housing support and retirement design no longer affect retention alone — they shape economic mobility itself. The most competitive organizations are those that align business performance with employee stability across the full arc of working life.

Keeping the American Dream within reach doesn't require inventing new ideals. It requires scaling what already works, modernizing legacy systems and treating workforce well-being as an economic asset. America's 250th anniversary celebrates how far the Dream has come — and energizes us to define its future.

Full report

Introduction

In the summer of 2026, the United States will celebrate 250 years since the founders declared, despite the many challenges, that all individuals are created equal and endowed with the rights to life, liberty and the pursuit of happiness. At their core, these words are a promise of opportunity. That promise became the foundation of what we now call the American Dream.

The phrase itself came later. Historian and businessman James Truslow Adams coined "the American Dream" in 1931 in his book *The Epic of America*, written during the Great Depression. His definition was intentionally nonmaterial: The Dream, he wrote, is "not a dream of motor cars and high wages merely, but a dream of a social order in which each man and each woman shall be able to attain the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position."[1] Adams was describing a prosperity that includes dignity and potential. He cautioned against a society that overvalues accumulation at the expense of the conditions that make broad prosperity possible.

Across generations, Americans have reinterpreted the Dream to fit new realities. During the Great Depression, the country rebuilt its economic base and broadened its concept of prosperity to include security. The postwar GI Bill opened opportunities for millions, even as its unequal reach made plain who the Dream still left out. More recent disruptions — from economic volatility to the pandemic — have reinforced a central truth: Periods of disruption tend to renew focus on the American Dream by highlighting the gap between aspiration and reality.

As the nation approaches its 250th anniversary, there is renewed focus on how to expand opportunity and economic mobility for future generations. The economy is changing rapidly, and with it, the conditions that define the Dream. Work, housing, healthcare, retirement and the demographics of the workforce are all in transition, making traditional markers harder to reach for many Americans, while also opening new pathways in ways that were impossible a generation ago.

This report, and the chapter briefs that will follow, examine six pillars: economic mobility, education, employment, healthcare, housing and financial security. It highlights where progress is underway and where practical action can restore momentum. The evidence points to a clear conclusion: The American Dream remains achievable, and its next chapter will be shaped by deliberate choices made today — especially in the workplace.

> "[It is] not a dream of motor cars and high wages merely, but a dream of a social order in which each man and each woman shall be able to attain the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position."
>
> **— James Truslow Adams**
> *The Epic of America*

CHAPTER 1

Economic stability

Mobility, costs and the foundation of the Dream

The belief that hard work leads to a better life is central to the American identity. By many measures, households today have more tools for resilience than prior generations, from broader access to education and healthcare to higher overall household net worth. What's grown harder is converting that effort into upward mobility as the cost of these very tools has risen faster than wages.[2, 3]

The mobility gap

For most of the 20th century, upward mobility was nearly guaranteed: More than 90% of children born in 1940 grew up earning more than their parents. By the 1980s, that figure had dropped to about 50%.[4] Communities, school quality, civic institutions and family stability are among the strongest predictors of economic outcomes.[5]

The COVID-19 pandemic accelerated two trends that historically correlate with better lifetime earnings: job switching and flexible work arrangements, both of which expand workers' geographic options and, with them, their earning trajectories.[6]

The compounding weight of costs

The clearest headwinds are inflationary pressures. Housing, healthcare and education have risen significantly, forcing rational trade-offs: delayed homeownership, deferred care, debt-financed schooling and postponed retirement savings.[7, 8] Addressing these pressures directly is among the most practical routes to strengthening opportunity.

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Economic stability: What to do now

1. **Design jobs as pathways**. Clarify skills, create visible mobility tracks and connect training to promotion.
2. **Help employees manage financial shocks** through predictable workforce practices, emergency savings solutions and short-term financial wellness resources.
3. **Target benefits to offset cost headwinds** by prioritizing programs that lower housing, healthcare and education expenses for workers.
4. **Personalize benefits for a multigenerational workforce** by segmenting needs by life stage and delivering targeted communications to improve outcomes.

CHAPTER 2

Education

From degrees to lifelong, flexible pathways

For most of the 20th century, education was a one-time investment made early in life with relatively predictable returns. A degree served as a gate: Passing through it once usually led to a stable economic trajectory. That model has changed. As the economy rapidly shifts, institutions are adapting to support it, and the growing alternatives are more accessible and diverse than what was previously available.

A century of expanding access

The expansion of educational attainment over the past century is one of the greatest success stories in American life. At the start of the 20th century, only a small minority of Americans completed high school, and college was primarily for the wealthy.[9] By 2024, 43.6% of adults aged 25 to 64 held a degree or credential with recognized economic value, up 16.7% from 2009. The national goal is 75% by 2040, and the trajectory is encouraging.[10]

The shifting value of the college degree

A bachelor's degree still correlates with higher lifetime earnings, but the returns vary by field, institution and circumstance, while the cost of earning that credential has risen significantly. Public college tuition has more than doubled over 30 years, and the average graduate now carries nearly $29,000 in debt.[11] The burden falls hardest on students from low-income families and those who attend but don't finish.

Americans are responding pragmatically. Trade school enrollment grew 4.9% between 2020 and 2023, while industry certifications, apprenticeships and short-term credentials tied to employer demand are gaining ground.[12, 13] Labor market outcomes for these pathways are increasingly trackable, giving prospective students clearer insight into what they're investing in before they incur the cost.

The rise of nontraditional pathways is a necessary and practical response to a market that's become less accessible, not a replacement for the long-term goal of making four-year education more affordable and widely available.

Public college tuition has more than doubled over 30 years, and the average graduate now carries nearly $29,000 in debt.

— *Forbes* Advisor, June 1, 2026

Artificial intelligence and the lifespan of learning

Perhaps the most consequential recent development is the emergence of AI-enabled learning tools that personalize instruction, provide real-time coaching and accelerate skill acquisition. The implications span the career arc: early-career workers building skills in a rapidly changing labor market, mid-career workers adapting to new technologies and evolving roles and older workers pursuing second careers or extending their working lives.

The returns to education still vary: A student with strong networks and career guidance will gain far more from the same credential than one navigating the system alone. Institutions and employers that pair expanded access with mentorship, employer networks and career counseling — alongside tuition reimbursement, community college partnerships, internal credential systems and flexible scheduling — will do most to close the gap and strengthen their workforce.

Perhaps the most consequential recent development is AI-enabled learning — tools that can personalize instruction, accelerate skill acquisition and dramatically lower the cost of quality training.

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Education: What to do now

1. **Modernize tuition assistance.** Cover certificates and short-term credentials aligned with in-demand roles.
2. **Add career navigation.** Offer coaching on valuable credentials, learning sequence and translating experience into new roles.
3. **Build partnerships** with community colleges, apprenticeships and credential providers aligned with your hiring needs.
4. **Create internal credentials or badging** to recognize on-the-job skills for advancement.

CHAPTER 3

Employment

What "stable" means in a post-linear career economy

The postwar image of a single employer, a predictable ladder and a pension at the end was never universal, but it was the dominant idea of what working life was supposed to look like. Today's labor market is more complex, and, for those with the skills to navigate it, it also has more possibility.

The fourth industrial revolution and the reshaping of work

Every major technological shift reorganizes the labor market. Skill-based technological change increases the value of high-skill jobs while replacing routine tasks, a pattern reshaping the American labor market for decades. Vacancies requiring AI agent skills increased by over 1,500% in just two years, reflecting entirely new job categories emerging in real time.[14] Historically, new technologies create more jobs than they eliminate. The challenge is ensuring that workers have the support to move toward those opportunities.

The entrepreneurship surge

One of the most promising stories in the labor market is the historic surge in business formation. Total entrepreneurial activity among adults returned to its highest level in 26 years. Sixty-three percent of entrepreneurs report using generative AI, meaning these tools are reaching solo operators and small teams, not just large corporations.[15]

Entrepreneurship through acquisition

Over the next decade, approximately 6 million small and medium-sized businesses will come to market as baby boomer owners retire. More than 1 million are viable candidates for sale or employee ownership, representing an estimated $5 trillion in enterprise value. Today, 92% of small business exits result in permanent closure rather than succession, largely because the transfer market is fragmented and acquisition is overlooked as an option. A more accessible transition process could preserve up to 12 million jobs and generate $2 trillion to $3 trillion in new household wealth, with outsized benefits for rural communities, where small businesses often employ more than half the local workforce.[16] This is one of the largest untapped wealth-building opportunities.

A multigenerational workforce

Five generations are working simultaneously, each shaped by different economic conditions.

- Early-career workers are building portfolios of skills rather than betting on single institutions.
- Mid-career workers are navigating automation's disruption of established fields.
- Later-career workers are redefining the edge of retirement entirely through consulting, part-time roles and encore entrepreneurship.

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Employment: What to do now

1. **Adopt skills-based hiring and promotion.** Reduce degree screens when unnecessary and validate skills via assessments and performance.
2. **Make flexibility a workforce strategy.** Expand options and ensure equitable access to flexible scheduling and accommodations.
3. **Design for multigenerational teams.** Provide stage-based supports (early-career coaching; mid-career reskilling; late-career transitions).
4. **Build entrepreneurial pathways.** Support small-business resources and responsible ownership transition planning in your community.

CHAPTER 4

Healthcare and caregiving

How longer lives shift horizons

Americans are living longer and benefiting from an unprecedented pace of medical innovation. Longer lives also mean more years of exposure to the system's remaining weak points. Medical debt is chief among them, followed by the largely invisible economics of caregiving.

Medical debt

Medical debt remains common. Even among insured households, out-of-pocket costs and gaps in coverage can create imbalances that accumulate over time. The consequences are tangible — delayed care, higher bankruptcy risk, and knock-on effects in housing and food security. Encouragingly, policy tools have begun to reduce harm where deployed, including efforts to limit the impact of medical debt on credit outcomes.[17]

The caregiving economy

One in four American adults provides unpaid care. Most are women in their early 50s, averaging 27 hours of care per week. Between 1965 and 2018, unpaid adult care grew 120%, a direct reflection of longer lives and more complex needs.[18] The financial strain is particularly acute for the roughly one-third of caregivers who are also raising children. This sandwich generation, nearly half of whom are under 50, absorbs pressure from both directions during the years when saving matters most.[19]

Employers are increasingly recognizing caregiving as a workforce issue rather than a personal one through flexible arrangements, paid leave, and employee assistance programs that reduce turnover costs while keeping experienced workers on the job.

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Healthcare and caregiving: What to do now

1. **Reduce healthcare friction** with care navigation, provider cost-comparison tools and decision-support resources.
2. **Strengthen financial protection.** Review plan design for high out-of-pocket costs and pair it with health savings accounts (HSAs)/flexible spending accounts (FSAs) and education on their strategic use.
3. **Treat caregiving as a standard workforce condition.** Expand paid leave, flexible hours and training managers for caregiver inclusion.
4. **Evolve Employee Assistance Program (EAP) use.** Promote services proactively and include mental health and financial guidance for caregivers.
5. **Build practical support** through backup care, referral networks and respite resources.
6. **Make benefits easy to find** with a single hub, brief explainer videos and "next best step" checklists.

CHAPTER 5

Housing and homeownership

An enduring cornerstone

Homeownership, as a financial tool, a source of stability and a personal milestone, remains one of the most durable aspirations in American life. For many families, the path to homeownership is strong. For a growing share of households, however, it's become significantly harder to reach.[20]

Why the path narrowed

The supply side of the housing market has been constrained by decades of restrictive zoning — minimum lot sizes, single-family-only designations, height limits and slow permitting — across nearly every high-demand metro area. The result is a projected national shortage of over 4 million homes.[21] There's more political momentum behind zoning reform, accessory dwelling unit legalization and transit-oriented development today than at any point in recent memory. Several states have already enacted significant changes, and the pace of reform is accelerating.

Younger buyers are sequencing differently, prioritizing debt payoff and career stability first.[22] In 39 states and Washington, D.C., more than 65% of households can't afford the median-priced new home.[23] Down payment requirements grow harder to meet as prices rise. Fears of permanent exclusion track current supply conditions, but those conditions are changing.

More than 65%
of households can't afford the median-priced new home in 39 states and Washington, D.C.

— National Association of Home Builders, February 24, 2026

Housing across a lifetime

The housing story doesn't end at purchase. For older Americans, home equity is the primary source of household wealth, and decisions about it shape financial security for decades. The growing preference for aging in place is putting pressure on a housing stock built largely for young families. The multigenerational household is reemerging as a response, driven by financial pressure and caregiving need in equal measure. Adult children living with parents and grandparents sharing homes with grandchildren is becoming more common.[24] Accessory dwelling unit policies serve multiple goals at once: more supply, more caregiving flexibility, more options for aging in place. Good housing policy and good aging policy are increasingly the same thing.

Employers are an underused resource here. Down payment assistance, matched savings plans and homebuyer education benefits help employees reach a goal that rising prices have made more difficult to achieve. Remote and flexible work expands the geographic range where employees can realistically afford to buy, effectively enlarging the housing map.

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Housing and homeownership: What to do now

1. **Offer homebuyer education and coaching** as part of financial wellness programs.
2. **Consider targeted down payment or closing cost assistance** for critical roles and hard-to-hire markets.
3. **Use flexibility strategically**. Remote and hybrid options can expand access to affordable housing and improve retention.
4. **Integrate housing with caregiving support** like relocation assistance, multigenerational housing resources and referrals.

CHAPTER 6

Financial security and retirement

Sustaining the Dream through a longer life

Retirement has always been shaped by geography, income, health and family structure. What has more recently shifted is the distribution of risk.

From shared risk to individual responsibility

The move from defined-benefit pensions to defined-contribution plans transferred longevity risk from institutions to individuals.[25] For workers with stable careers, employer matching and the financial fluency to make sound decisions over decades, the system works reasonably well. For those who switch jobs frequently, work in industries with weak benefits or face income disruptions, it works considerably less well.

Confidence and its contradictions

Nearly 70% of Americans are optimistic about retirement, reflecting better saving habits and financial engagement. However, about 60% also expect to outlive their savings.[26]

The retirement challenge looks different across generations. Boomers accumulated wealth through longer tenures and rising home values; today's retiree cohort is the wealthiest in history, holding over 70% of total U.S. household wealth.[27] Gen Xers face the steepest near-term pressure, having absorbed two major market crashes during prime saving years. Millennials and Gen Zers report significant financial stress, but time and compound growth are still working in their favor, and their awareness of retirement's importance is higher than that of any previous generation at the same age.[28]

The long view

Most savings structures were designed for shorter retirements and don't account for the growing number of people who want or need to keep working past traditional retirement age. Retirement is already being reimagined as a gradual transition, a portfolio of part-time work and leisure, an encore chapter rather than a full stop.

Automatic enrollment, automatic escalation and employer matching are among the most effective interventions available, particularly for lower- and middle-income workers least likely to opt in independently. Financial wellness benefits that cover debt management, Social Security planning and retirement guidance help employees make better decisions at every stage. Employers who treat retirement readiness as a workforce issue are investing in the stability their people will carry into the next chapter of their lives.

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Financial security and retirement: What to do now

1. **Boost participation with defaults.** Auto-enroll, auto-escalate and simplify reenrollment for opt-outs.
2. **Promote emergency savings alongside retirement** to reduce leakage and hardship withdrawals.
3. **Expand financial wellness** to encompass education on retirement income, Social Security timing and decumulation planning.
4. **Offer phased retirement options where feasible**, such as part-time transitions, consulting or role redesign to retain experienced workers.

Conclusion

Two hundred fifty years after the Declaration of Independence, the American Dream endures, not because it's been easy to sustain, but because each generation has done the work of renewing it.

The report tells an ultimately encouraging story. Economic mobility remains achievable, and the tools to expand it are more precise than ever. Educational attainment has risen steadily, and new pathways are making lifelong learning more flexible than the old single-gate model allowed. The labor market is generating entrepreneurial activity at historic rates. Homeownership remains a deeply held goal and, with the right policy conditions, an attainable one. The retirement system faces pressure from longer lives and shifting risk but also benefits from better data, stronger tools and a workforce more financially engaged than any before.

The fault lines persist. Housing, healthcare and education costs have risen faster than wages for decades, making middle-class stability more fragile than it should be.

The safety net hasn't kept pace with a portfolio-based economy. Caregiving, the largely unpaid backbone of American family life, still extracts a disproportionate economic toll from those who provide it. However, the employer practices that expand mobility, ease caregiving and strengthen retirement security are successful when implemented and can bring the Dream into reach.

The founders didn't promise guaranteed outcomes. They promised the conditions for possibility. At 250, the American Dream remains a work in progress — and the workplace is one of the most powerful places to continue that work.

As America marks 250 years, here's what the evidence asks of employers:

1. Invest in wages and skills development so that employment functions as an on ramp.
2. Offer flexible and remote work options that expand housing access and career mobility beyond high-cost metros.
3. Support caregivers with paid leave, flexible hours and cultural recognition that caregiving is a normal part of working life.
4. Design retirement benefits, auto-enrollment, employer matching and financial wellness programs that work for employees at every income level.
5. Partner with community colleges, housing counselors and credentialing programs to broaden opportunity beyond your organization.
6. Treat ownership transitions in your supply chain and community as both business transactions and workforce stability opportunities.

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