

PUBLICATION

State of the Union – Key Takeaways

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The President's State of the Union address focused on reinforcing core policy priorities and emphasizing actions already taken by the Administration. The speech appeared designed to consolidate support among existing constituencies, namely the strong MAGA supporters, rather than introduce a broad set of new policy initiatives aimed at persuading independents and moderates to engage and get energized. How this approach ultimately resonates with moderate and independent voters in terms of turnout will become clearer as the election cycle progresses.

Forward-Looking Policy Agenda

The President's presented his forward-looking domestic policy agenda at a high level, with limited detail on legislative sequencing or implementation. Core themes included combating fraud, maintaining the Administration's current immigration posture, and urging congressional action on several discrete initiatives, including:

- Repeal and replacement of the Affordable Care Act
- Passage of the SAVE Act
- Restrictions on stock trading by Members of Congress
- Limitations on institutional investment in single-family housing
- Advancement of a retirement-related subsidy or matching framework

Given the absence of detailed legislative direction, congressional leadership may interpret the address in one of two ways: as an invitation to develop a more comprehensive legislative agenda aligned with these priorities, or as an indication that the Administration intends to continue relying primarily on executive action, with more limited congressional engagement.

Affordability and Cost of Living

On affordability, the President emphasized that the Administration does not share concerns about a broad-based erosion in consumer purchasing power. Instead, the speech highlighted executive actions already taken that the Administration believes have contributed to lower consumer costs, including trade-related measures and actions affecting mortgage interest rates. The Administration framed these efforts as evidence of progress rather than areas requiring significant policy recalibration.

Policy Areas of Interest to Financial Services Stakeholders

The address included several references relevant to financial services:

1. Trump Accounts Initiative

The President highlighted strong early interest in the Trump Accounts which were created by The One, Big, Beautiful Bill Act (H.R. 1, Pub. L. 21) earlier this year. These accounts create a tax-advantaged account for children under 18 that is seeded with \$1,000 in federal money for children born between 2025-2028. Treasury Department rules governing program structure and administration are currently under Office of Management and Budget review and are expected to be released in the next month.

2. Retirement Savings for Private-Sector Workers

The President referenced a future proposal aimed at expanding retirement savings access for private-sector workers who do not have employer-sponsored plans. This concept may differ from the "Savers Match" provision enacted under the SECURE 2.0 Act (H.R. 2617, Pub. L. 117-328), which is scheduled to take effect in 2027. The Administration's proposal would potentially build on the Thrift Savings Plan framework used by federal employees and could include a federal matching contribution of up to \$1,000, according to the President's remarks. If pursued separately from existing law, this initiative would require new congressional authorization and appropriations.

3. Housing and Homeownership

On housing policy, the President reiterated an overarching objective of maintaining current home prices and appreciation levels. This policy posture may limit momentum for supply- or demand-side reforms aimed at reducing the cost of entry into homeownership. The President also renewed his call for Congress to advance legislation restricting institutional investors from acquiring single-family homes, referencing a preferred legislative framework developed by the Administration.

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