



Policy Alert: Sovereign Wealth Fund Executive Order

Updated 04 February 2025

Action: Executive Order “A Plan for Establishing a United States Sovereign Wealth Fund”

What it does: The President signed an Executive Order requesting the Secretaries of Treasury and Commerce, in coordination with the White House, to develop and establish a US sovereign wealth fund. The Order states that the goal of the fund is to “promote fiscal sustainability, lessen the burden of taxes on American families and small businesses, establish economic security for future generations, and promote United States economic and strategic leadership internationally.” Treasury Secretary Scott Bessent stated that “[w]e’re going to monetize the asset side of the US balance sheet for the American people. There’ll be a combination of liquid assets, assets that we have in this country as we work to bring them out for the American people.”

Key Insights

- Many nations, including [Saudi Arabia](#), [Singapore](#) (which also has an equity-focused fund, [Temasek](#)), [China](#) (which [helps](#) fund infrastructure projects globally), and [Norway](#), have sovereign wealth funds, including some nations in the developing world, but they are generally in countries that have large natural resources or large fiscal surpluses.
- Some US states, notably [Alaska](#), have similar funds, with different permissible uses for the funds.

- The White House [claims](#) that the US has direct holdings of public assets worth \$5.7 trillion. It is unclear how many of these assets would be placed in the fund—or the legal mechanism for putting them there, which would almost certainly require Congress to enact a law permitting this.
- The fund could reportedly be used for infrastructure projects; The President indicated one possible use for the fund would be to take a stake in TikTok, if the platform can achieve a successful divestiture from China.
- Many questions remain on the initiative:
- *How will it be funded?* The President suggested tariffs are a possible source of funding; sales of natural resources and other resources (for instance, sales of spectrum) could also be possible sources.
- *Legal basis:* The Order notes that it is “subject to the availability of appropriations,” which could imply the need for legislation. Assets held or managed by Departments and agencies, such as the [Bureau of Land Management](#), could not simply be moved to the new fund without changes to [laws](#).
- *Checks and balances:* Would there be constraints on how the fund can operate, for instance Norway’s [requirement](#) that it can only spend its real rate of return?
- *Debt:* The US has a national debt of over \$36 trillion. The Administration states that the fund will promote the US’ “long-term financial health and international leadership”—could assets in the fund be used to purchase US debt, reducing the need for external financing of public debt?
- The plan from Treasury and Commerce, including “recommendations for funding mechanisms, investment strategies, fund structure, and a governance model,” is due in 90 days; Secretary Bessent said the fund would be established in the next 12 months.

The Conference Board is the Member-driven think tank that delivers *Trusted Insights for What's Ahead*[®]. Founded in 1916, we are a nonpartisan, not-for-profit entity holding 501(c)(3) tax-exempt status in the United States.

© 2025 The Conference Board, Inc.