

## Trump Issues Executive Order to Allow Crypto and Real Estate in 401(k) Plans

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President Donald Trump signs an executive order on August 7, 2025, directing federal regulators to let cryptocurrency, private equity, and real estate become eligible investments in 401(k) retirement accounts. The Departments of Labor, the Securities and Exchange Commission, and the Treasury now must review regulations to permit these alternative assets in the \$12 trillion defined-contribution market.

The order lays the foundation for a major shift in retirement investment policy. It dismantles prior limitations on non-public assets, potentially delivering broader access to high-return opportunities. Firms such as BlackRock and Apollo Global Management already signal plans to develop new retirement products that feature these alternative investments.

Proponents argue that expanded investment options offer diversification and could attract younger savers seeking growth. Market response reflects optimism: cryptocurrency markets rise following the announcement. Bitcoin climbs nearly 2 percent to over \$117,000, and Ethereum jumps more than 5 percent. ETFs tied to digital assets and Coinbase stock also record gains.

Nevertheless, critics raise concerns regarding elevated risk, limited liquidity, and higher fees associated with these assets. Financial experts caution that private equity and cryptocurrencies may not suit average savers. Georgette Anil Khurana of Georgetown University notes that speculative and underregulated assets carry significant uncertainties. Fiduciary liabilities may also complicate plan administrators' roles under ERISA guidelines.

Industry voices point out that integrating these assets may proceed slowly. Complexities such as valuation, liquidity mismatches, and legal hesitations are likely to slow adoption. A PitchBook analysis underscores that cost, transparency, and risk are meaningful barriers and may limit how many employers embrace these options.

The executive order aligns with Trump's broader push toward crypto integration and deregulation, building on earlier steps like launching a

digital asset reserve and the GENIUS Act regulating stablecoins. This initiative underscores the administration's drive to position the U.S. as a leading force in digital finance.

Still, the long-term impact on retirement savers remains uncertain. Plan sponsors must balance innovation with investor protection, ensuring that expanded options do not erode financial stability for millions approaching retirement.