



August 27, 2025

**ADVANCING AMERICAN FREEDOM**  
*FOUNDATION*

## **The U.S. Government Doesn't Need a Sovereign Wealth Fund**

---

**TOPLINE:** Despite the well-recorded history of the failures of central planning, the Trump Administration seems dead set on emulating the decadent "sovereign wealth fund" model of far less prosperous European and Middle Eastern economies.

**BACKGROUND:** A sovereign wealth fund is political doublespeak for a state-controlled economy where the government holds an ownership stake in so-called 'private' companies.

### **Sovereign Wealth Funds Flout The President's Limited Constitutional Authority**

- While the President has issued multiple EO's related to sovereign wealth funds, **the Constitution does not permit the President to create a sovereign wealth fund.**
- Congress alone controls the "power of the purse."
- **Congress has never approved any funds for the creation of a sovereign wealth fund.**

### **Sovereign Wealth Funds Are Weak Investments:**

- Since 1998, Norway's fund has seen [returns of 6.4%](#) (annualized nominal).
  - If you'd invested in solely the S&P 500 you'd have seen **returns of 8.97%**.
- Meanwhile, Saudi Arabia's ~\$1 trillion fund has seen [returns of just 7.2% since 2017](#).

### **The Saudi's Sovereign Wealth Fund Is A Propaganda Tool:**

- Just a few years ago, **the Saudi's SWF attempted to [literally buy the PGA tour](#).**
- The reality is the Saudi's SWF is more concerned with **washing their image on the world stage** than providing returns to the average Saudi citizen.
- **Dig Deeper:** [Saudi Government Uses European Football to Sportswash its Reputation](#)

### **Go Woke, Go Broke:**

- The American People saw how "woke" companies were willing to go during the Biden Administration.
- **Imagine how woke companies would become with a President Newsom or Buttigieg overseeing a 10% stake in their company.**

### **History Is Not Kind to Central Planning:**

- **Cuba, the Soviet Union, and Venezuela** need no explanation.
- **The United Kingdom**, prior to Margaret Thatcher, suffered from stagnation due to state ownership in important sectors.
- **Japan** saw several "lost" decades after the 1980s through their own industrial planning.

**BOTTOMLINE:** The American people don't need an unconstitutional sovereign wealth fund to succeed. Free market capitalism has served the American people well for our entire history and will continue to serve the American people for as long as we permit it.



For more information, please contact AAF Policy Director  
John Shelton at [jshelton@advancingamericanfreedom.com](mailto:jshelton@advancingamericanfreedom.com)