

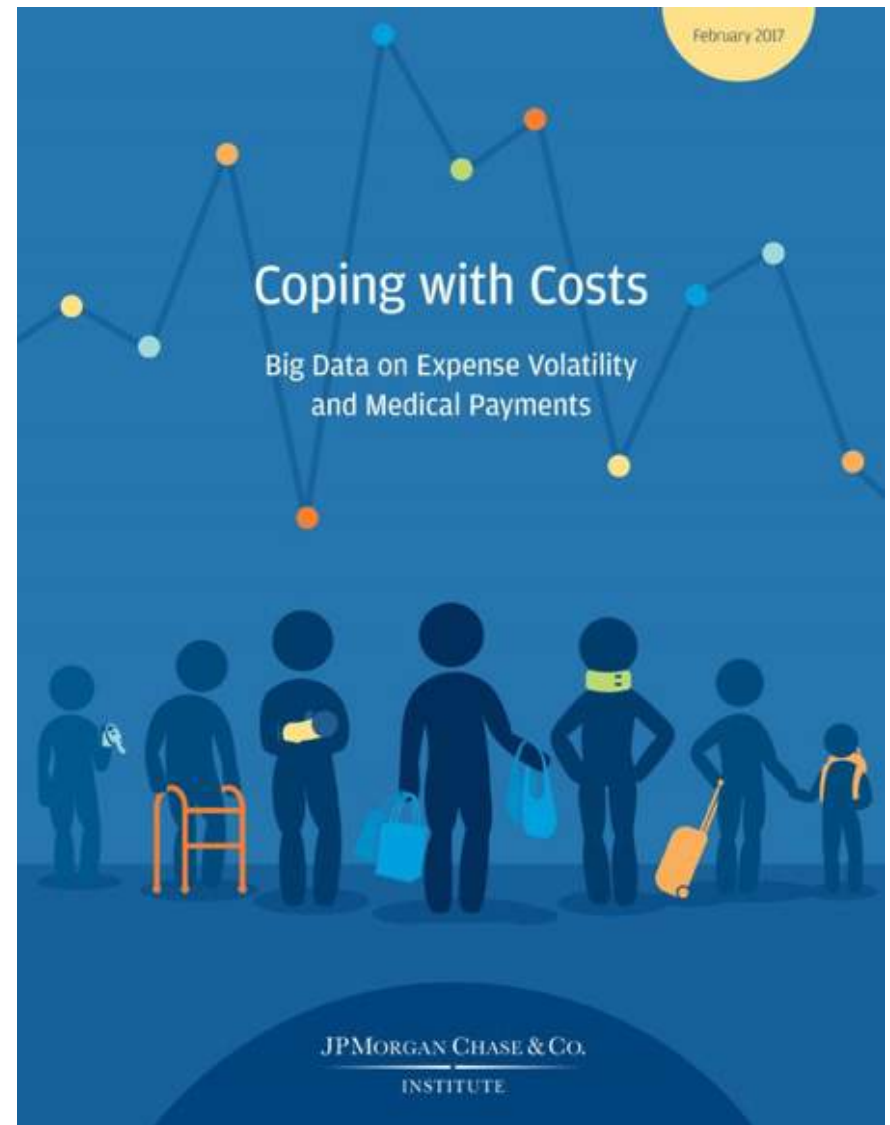
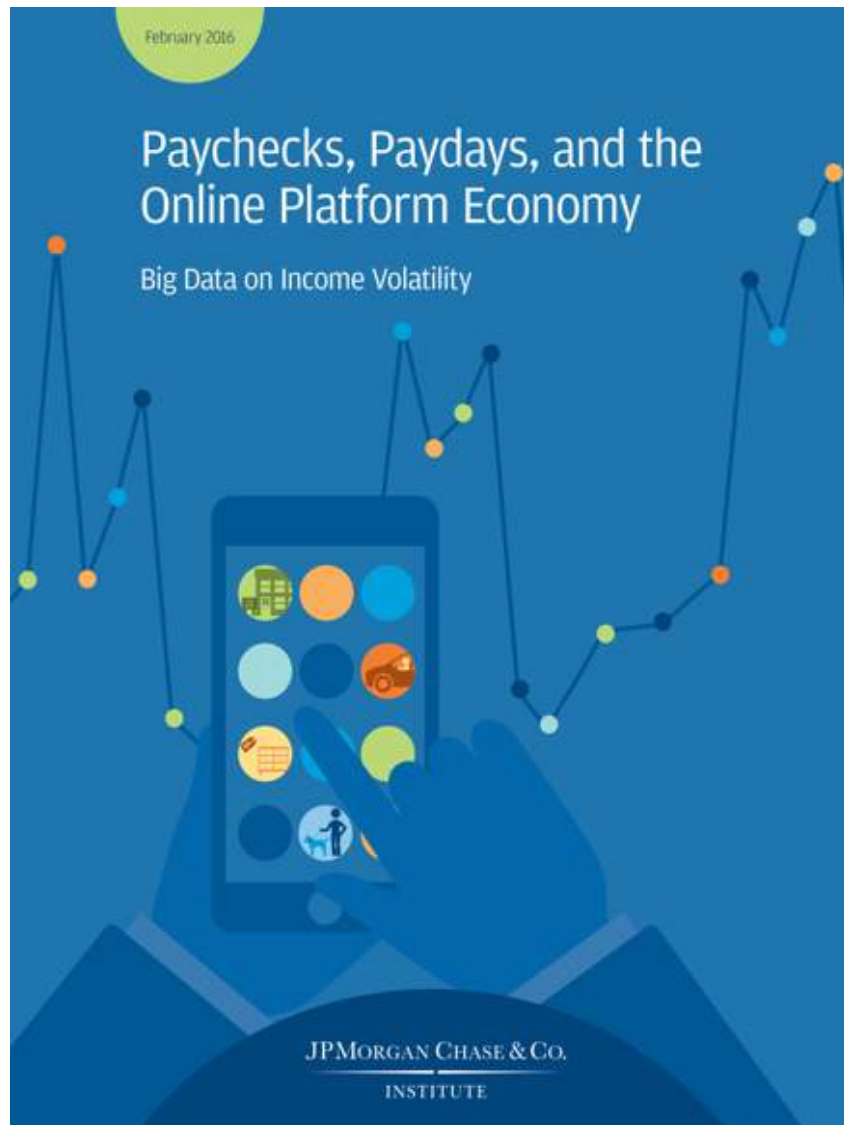
**A GLOBAL THINK TANK DEDICATED TO  
DELIVERING DATA-RICH ANALYSES AND  
EXPERT INSIGHTS FOR THE PUBLIC GOOD**

JPMORGAN CHASE & CO.  

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INSTITUTE

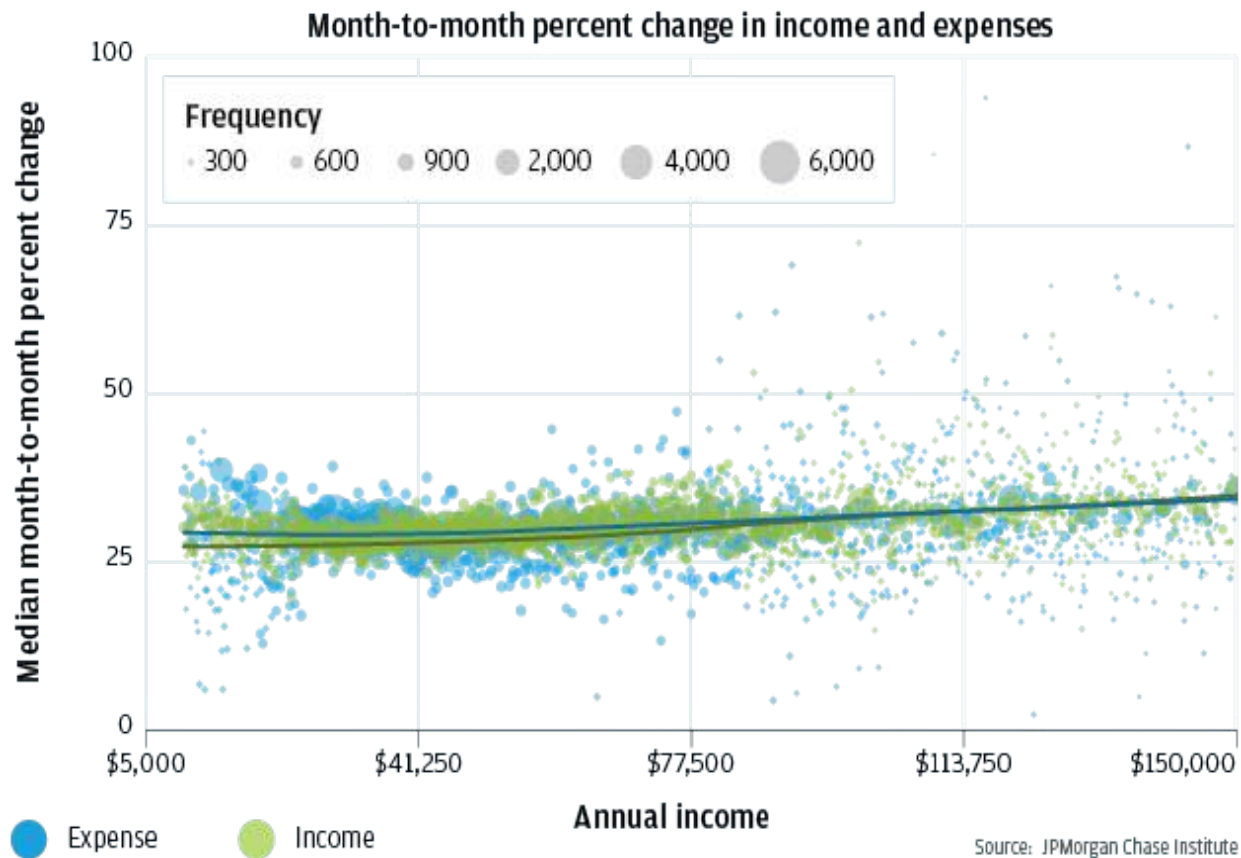






## Key Insight

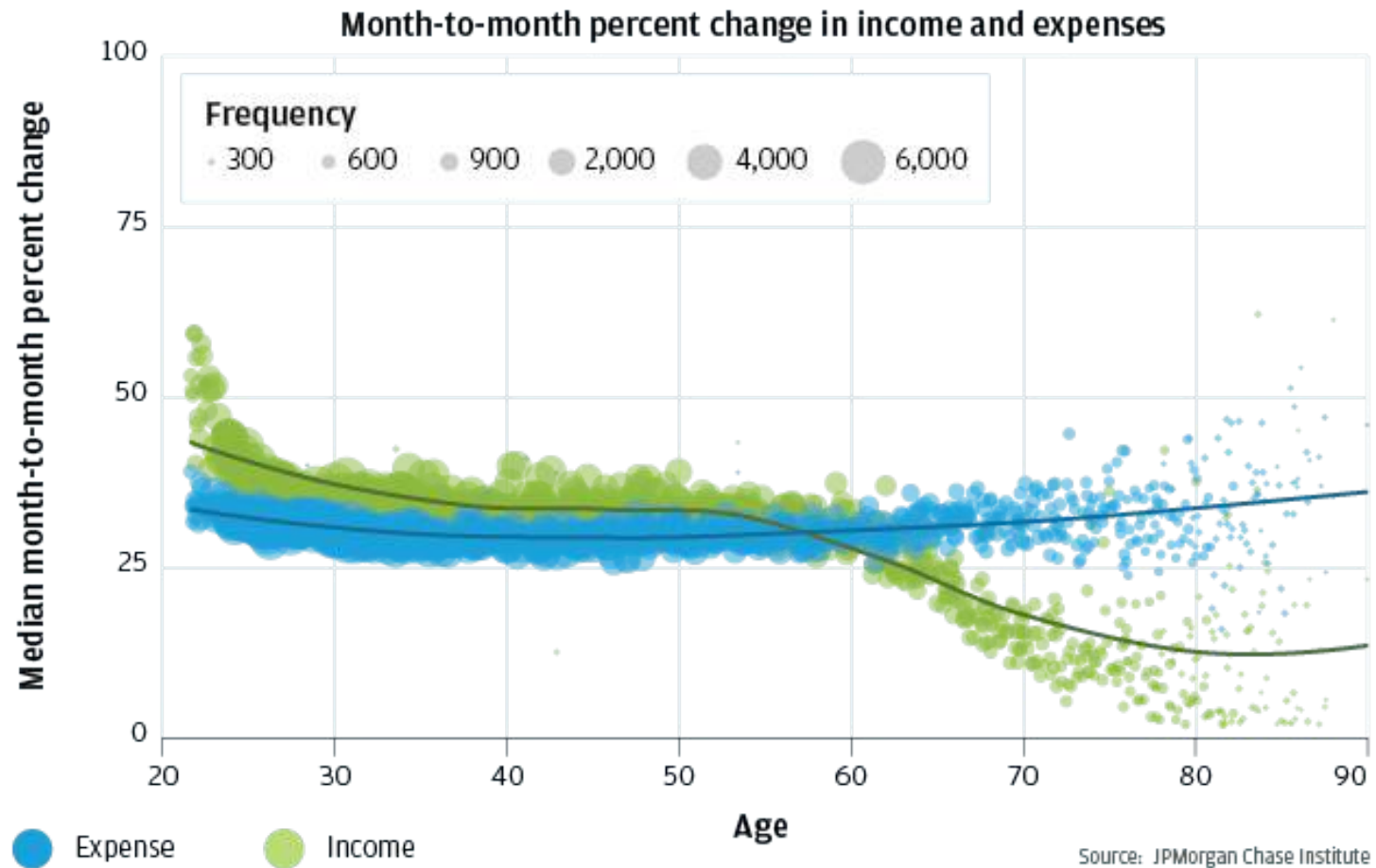
Expense volatility was high across the income and age spectrum. While older families typically had less volatile incomes, they exhibited a larger range of income and expense volatility





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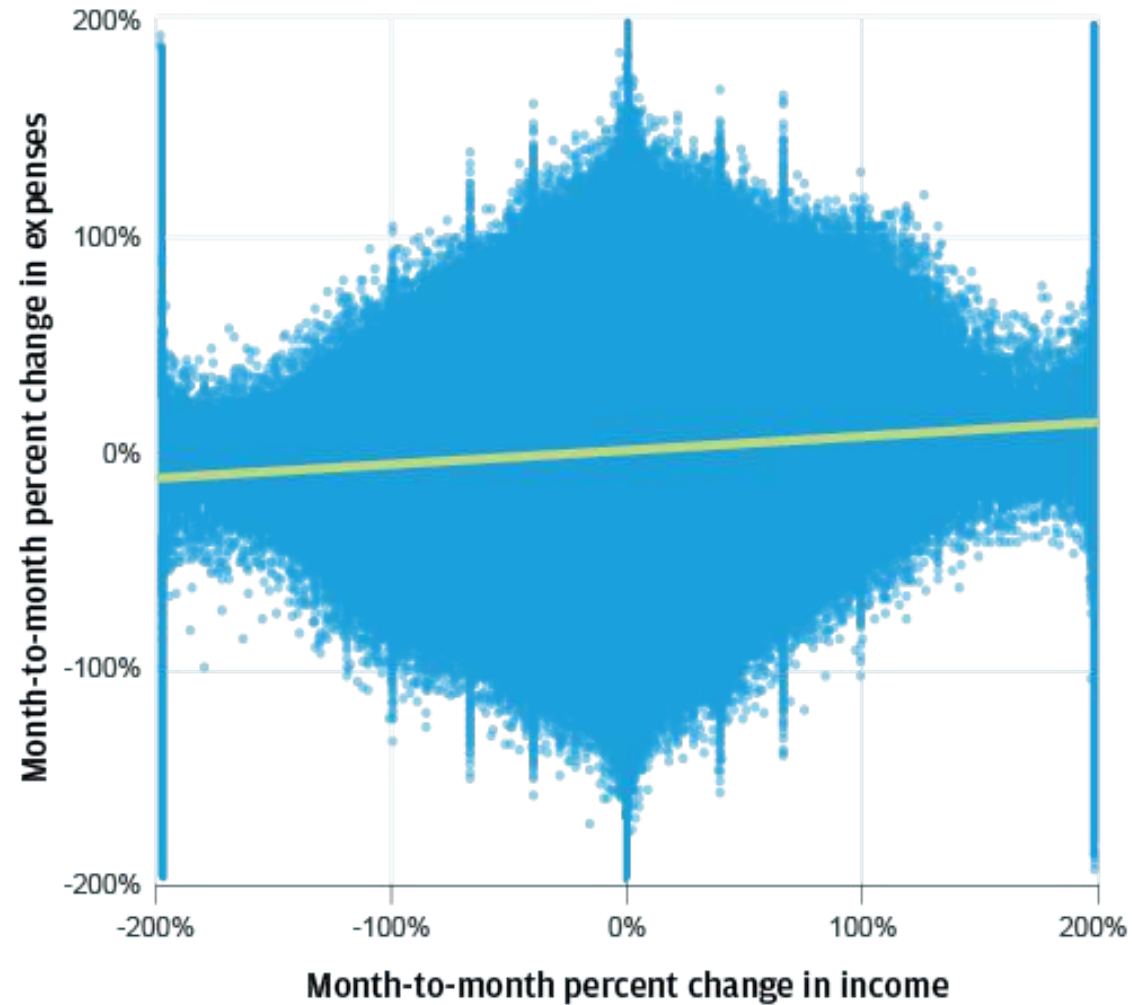




**Key  
Insight**

Income and expense fluctuations often did not move in tandem

**Correlation between month-to-month changes in income and expenses**



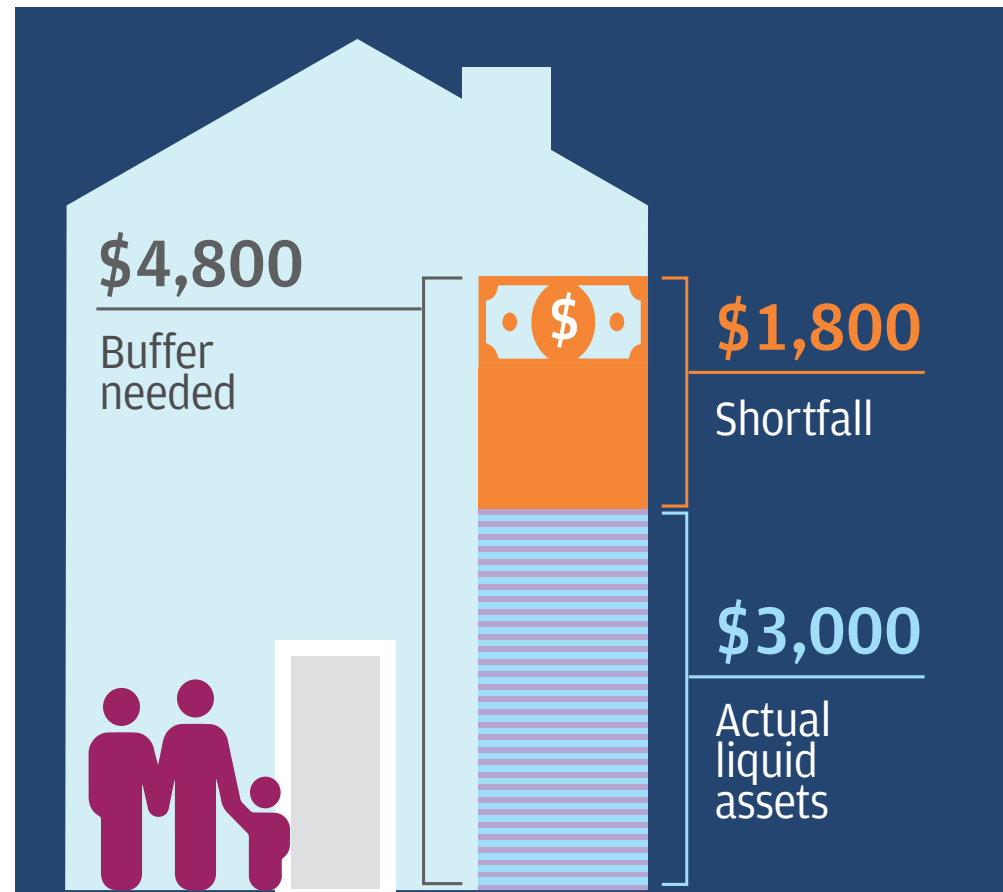
Source: JPMorgan Chase Institute



**Key  
Insight**

The typical US household does not have a sufficient financial cushion to weather adverse income and consumption volatility

**Liquid assets needed by  
the typical American  
household to weather  
volatility**

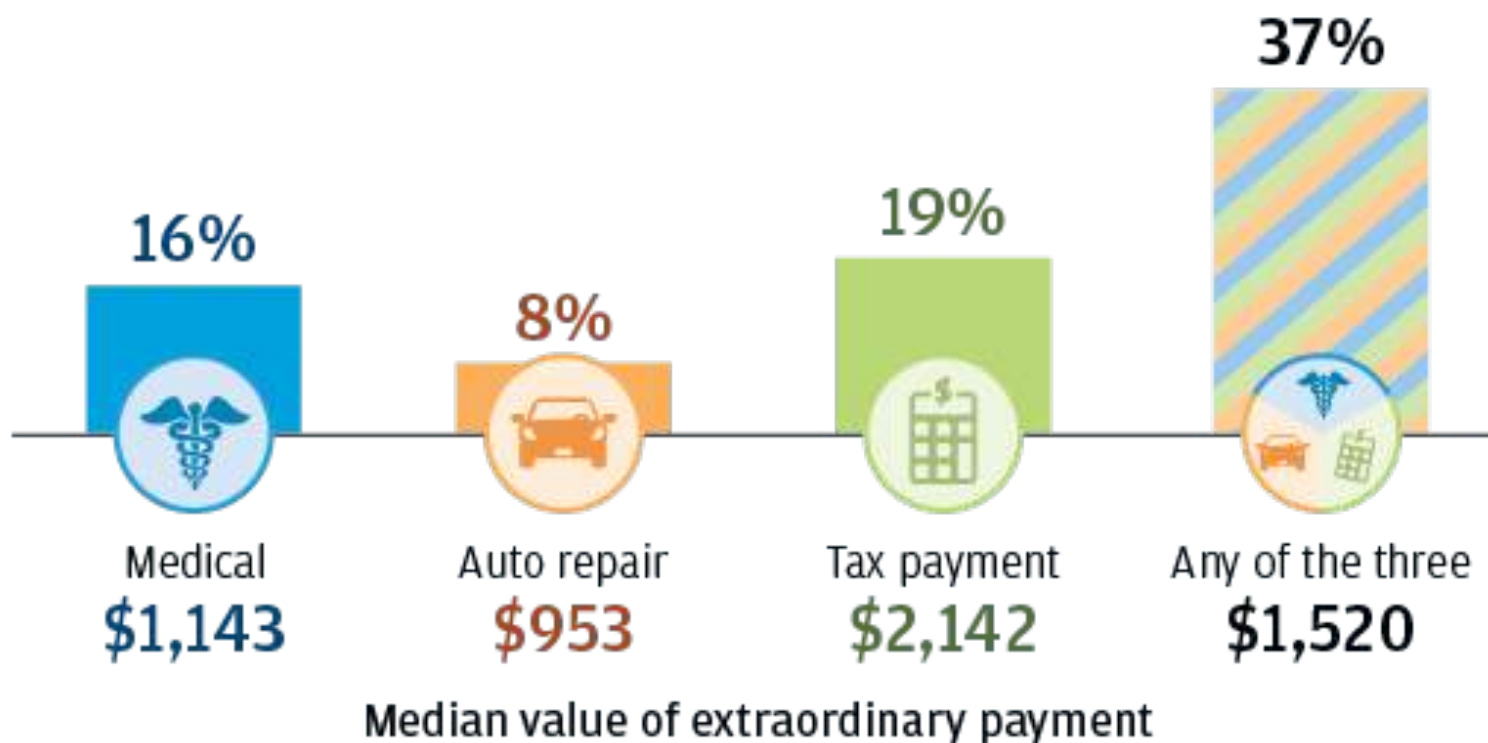




## Key Insight

Almost four in ten families per year—particularly middle-income and older families—made an extraordinary payment over \$1,500 related to medical services, auto repair, or taxes

Percent of families with at least one extraordinary payment within a year



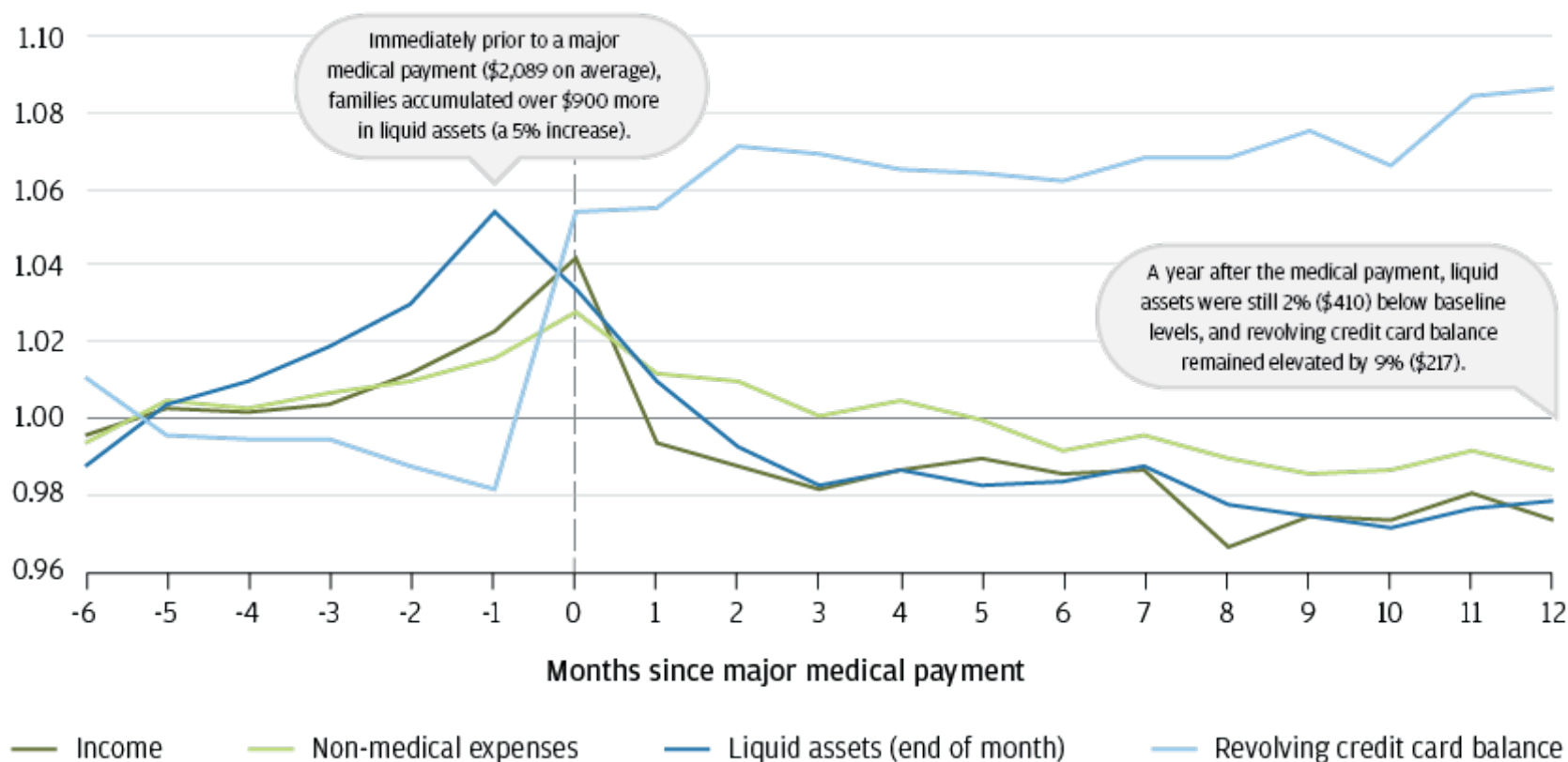


## Key Insight

Major medical payments coincide with spikes in liquid assets and income, but families did not recover financially within 12 months after the payment

**Major medical payments coincided with short-term improvements** in income, assets, and liabilities **but lasting negative changes** in not just assets and liabilities but also income and expenses

Ratio of income, non-medical expenses, liquid assets, and revolving credit card balance before and after major medical payment relative to baseline\*

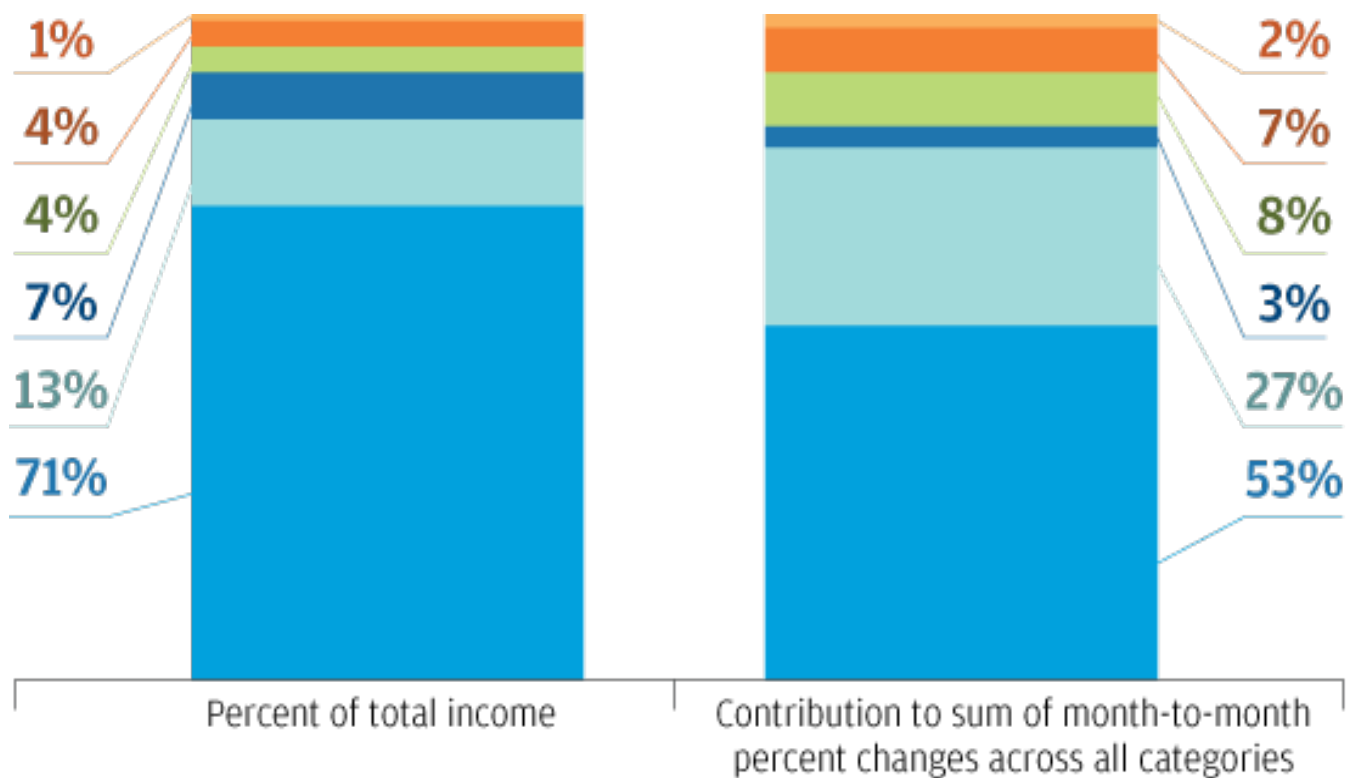




**Key  
Insight**

Labor income represents 71% of total income and contributes 53% of the volatility in total income

**Sources of Income Volatility**



- Labor
- Capital
- Social Security
- Other Govt Income
- Tax refunds
- Other income\*

\* Other income includes business point of sale revenue, ATM deposits, payments from other individuals and refunds.

Source: JPMorgan Chase Institute



## Key Insight

Almost 4 in 10 individuals experienced a job transition in a given year, contributing 14% of the month-to-month volatility in labor income

### Sources of Monthly Changes in Labor Income



Median individuals experienced a \$1,108 change in monthly income when they gained or lost a job and \$830 when they switched jobs.



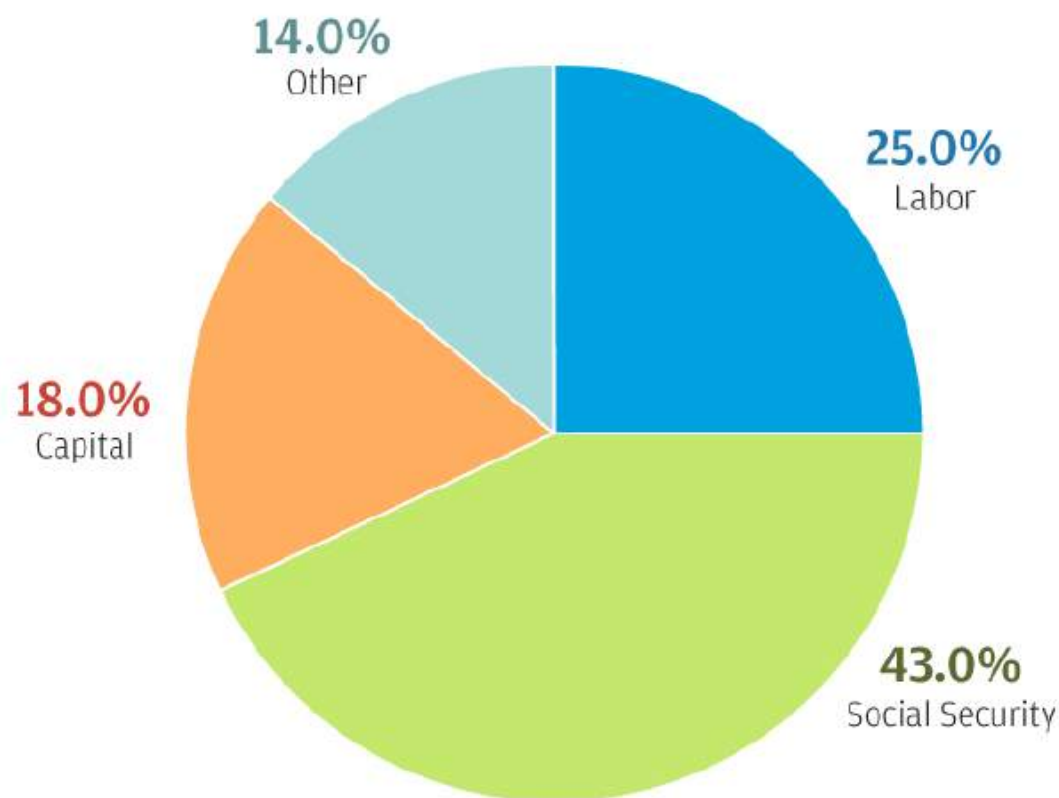
Almost four in 10 individuals experienced a job transition over the course of a year.



## Key Insight

Seniors get 25% of their income from the labor economy, and their labor force participation rate is inching up

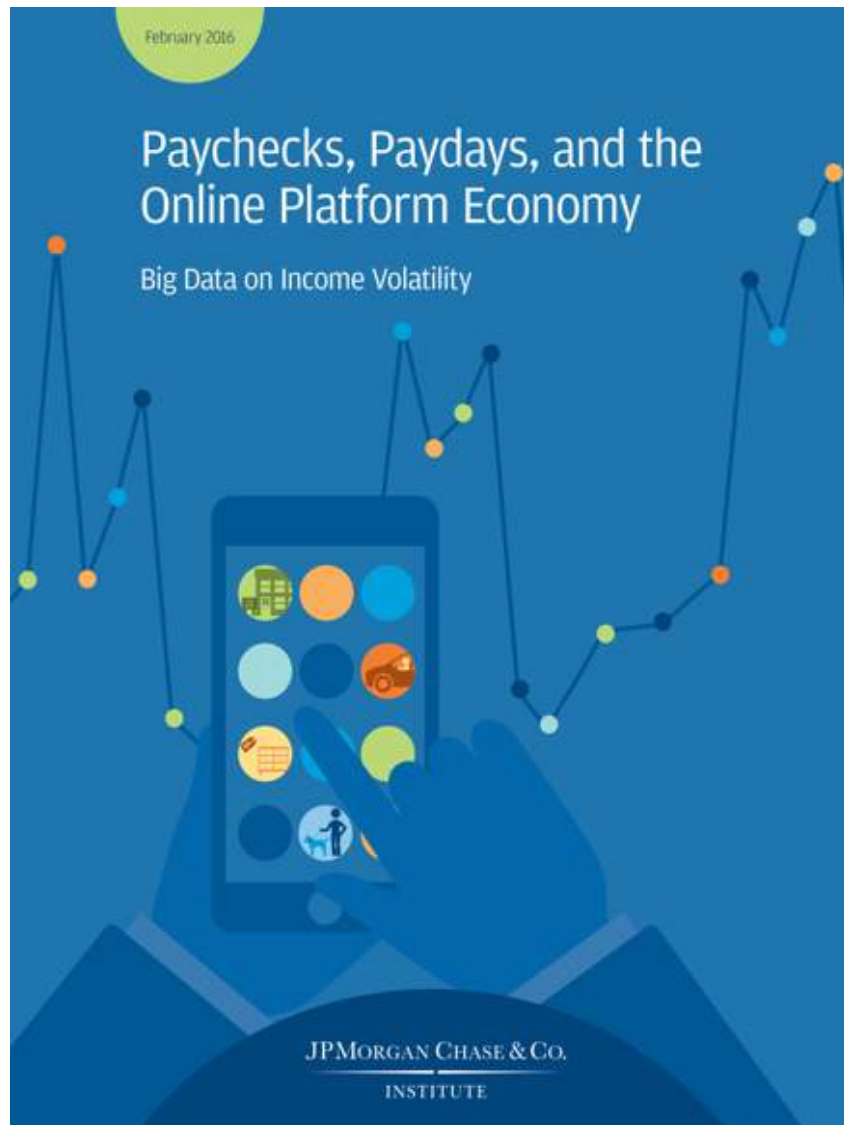
Components of Total Income



Source: JPMorgan Chase Institute

- There is reason to believe that **more and more seniors will linger within or rejoin the labor force.**
- According to the Bureau of Labor Statistics, the percent of seniors who are in the labor force has been increasing quickly—from 20.7% in 2009 to 23.1% in 2015—even as the share of younger people in the labor force has declined.
- In 2016, 26% of surveyed baby boomers said they now plan to retire at age 70 or older, up from only 17% five years earlier.







# The Online Platform Economy

In defining the Online Platform Economy we distinguish between  
**Labor Platforms** and **Capital Platforms**



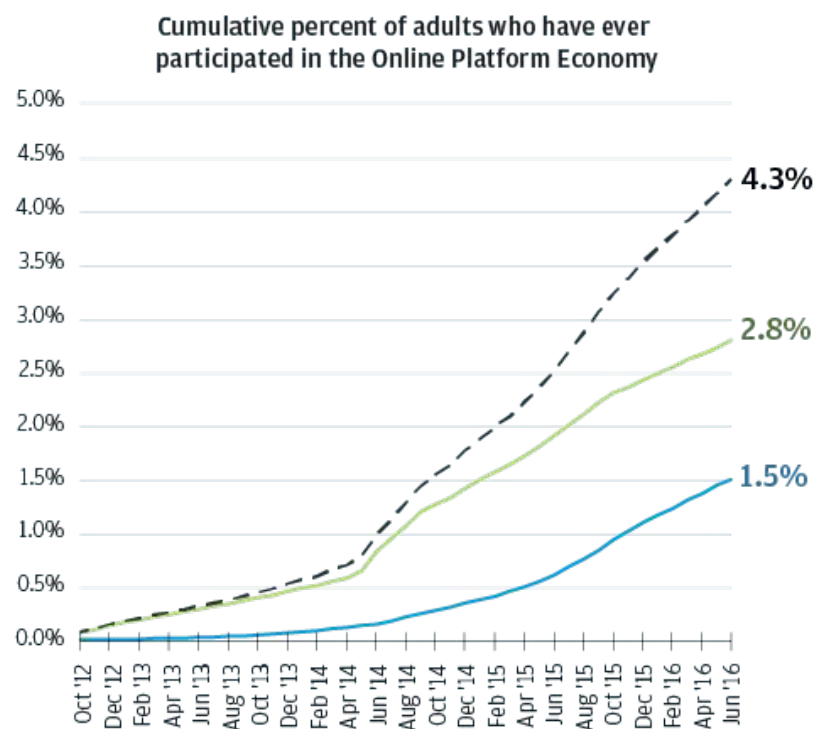
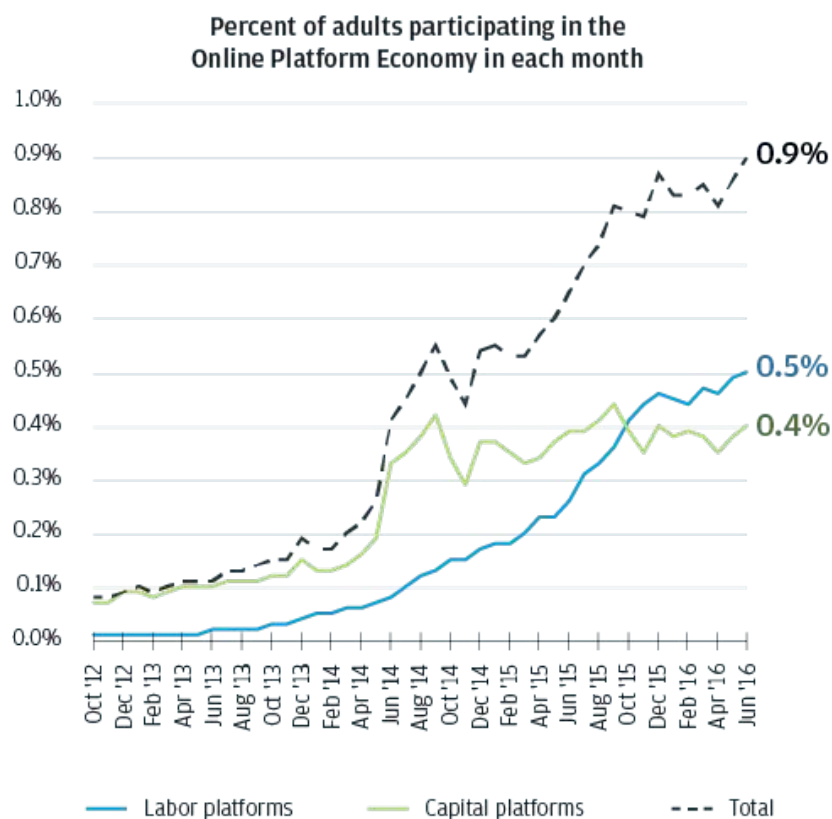
**Data Asset:** We identify income received by **over 240,000** anonymized individuals from **42 distinct platforms** between **October 2012 and June 2016**.



## Key Insight

Growth in participation in the Online Platform Economy peaked in 2014 and has slowed since then

### Monthly participation in the Online Platform Economy slowed in 2016 while cumulative participation continued to grow



Source: JPMorgan Chase Institute

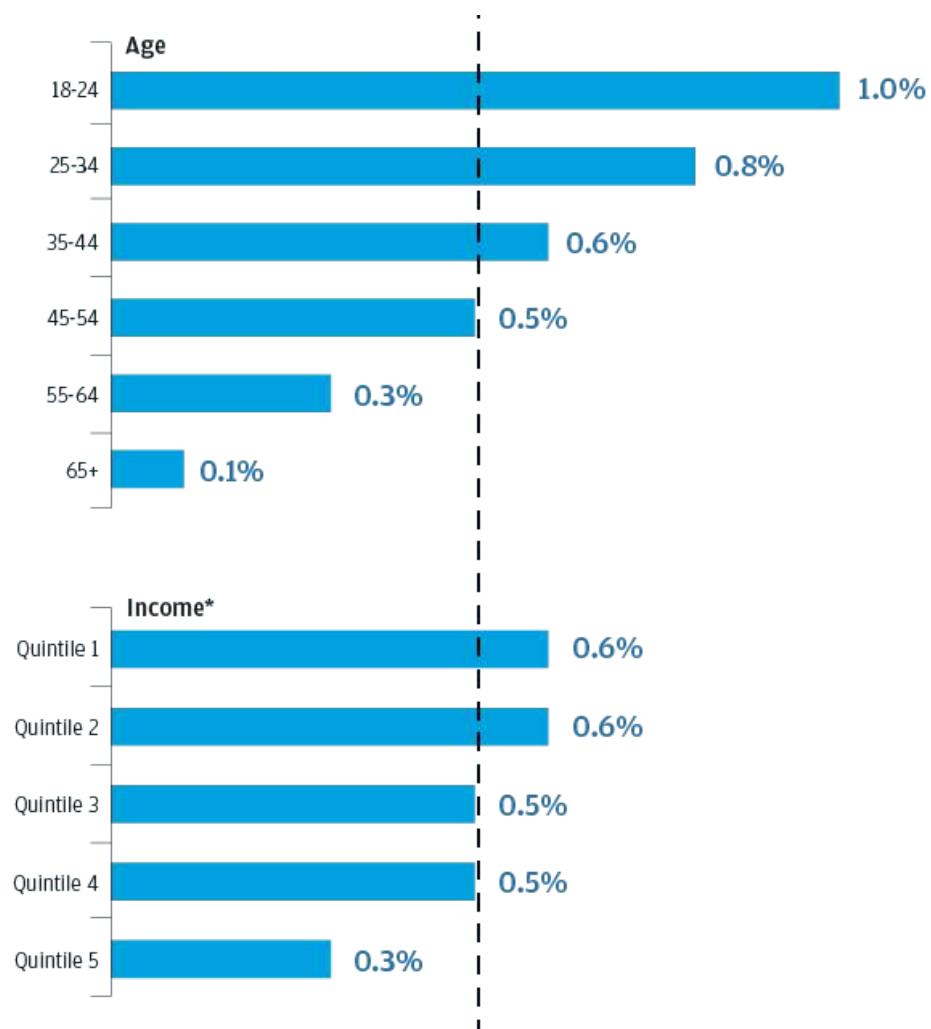


## Key Insight

Percent of total adults participating in the Online Platform Economy in June 2016, by demographic group

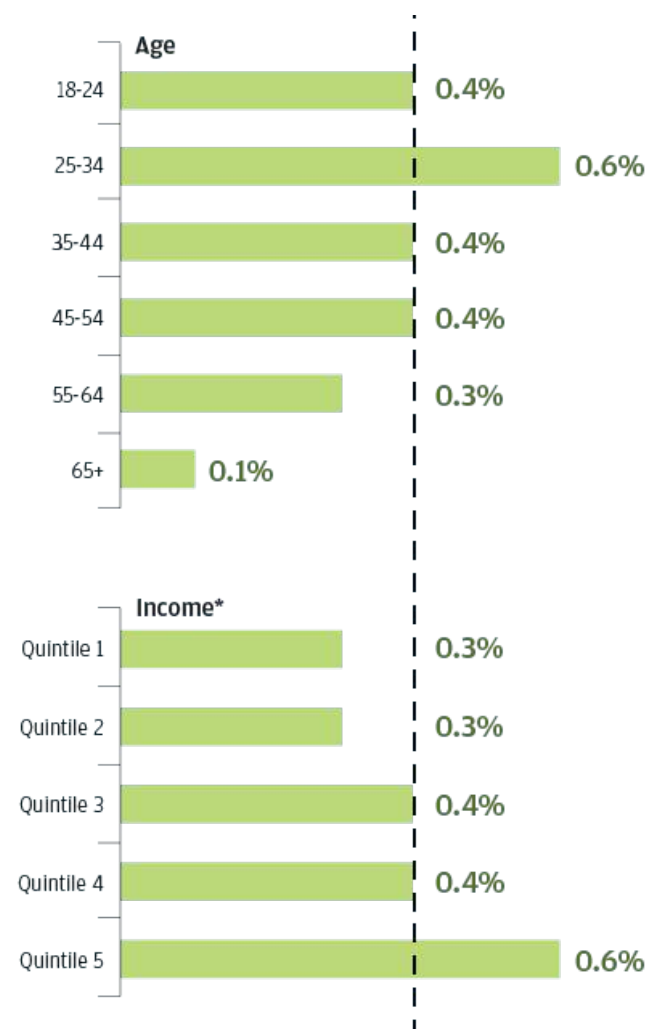
Participation in labor platforms

Mean: 0.5%



Participation in capital platforms

Mean: 0.4%





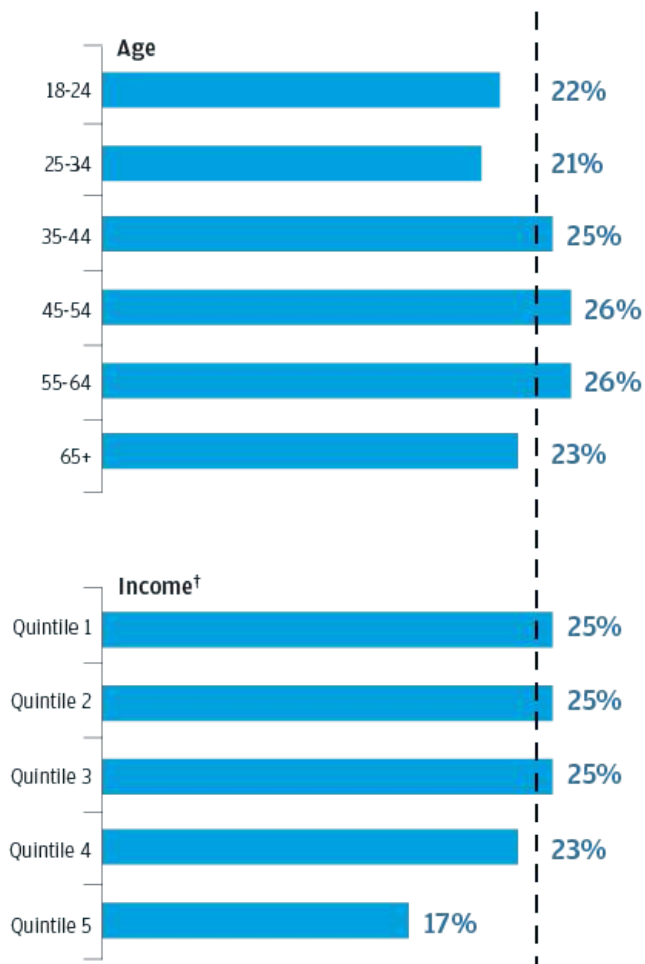
## Key Insight

On average, participants earn 24% and 10% of their total income in labor and capital platforms respectively

Percent of total annual income earned on platforms among established platform participants in the 12 months ending in June 2016, by demographic group

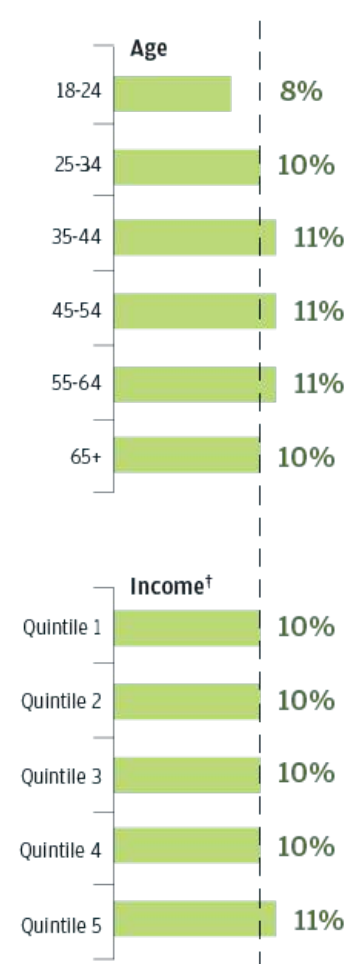
### Reliance on labor platforms

Mean: 24%



### Reliance on capital platforms

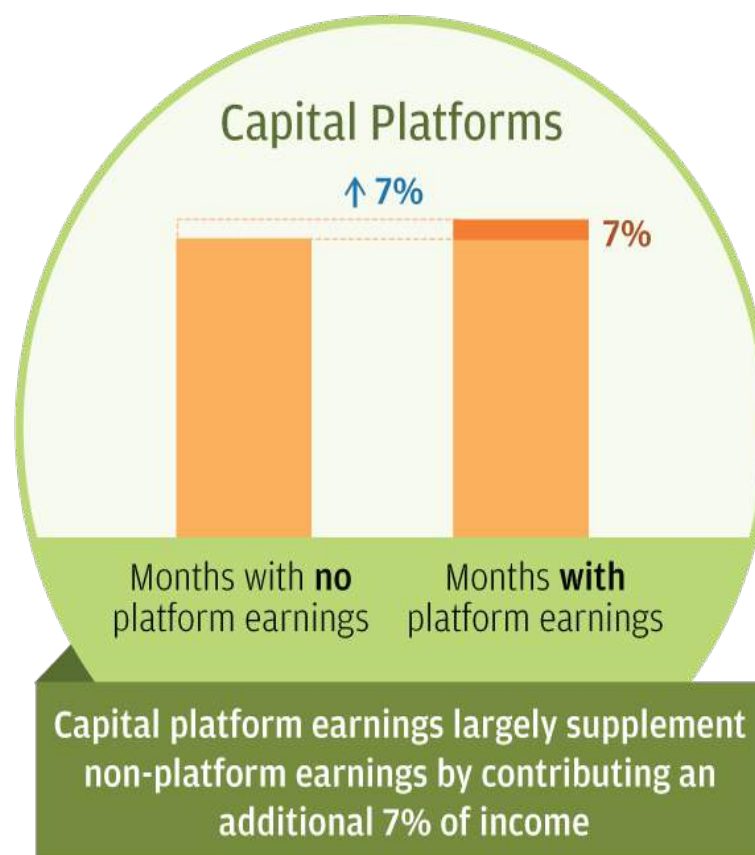
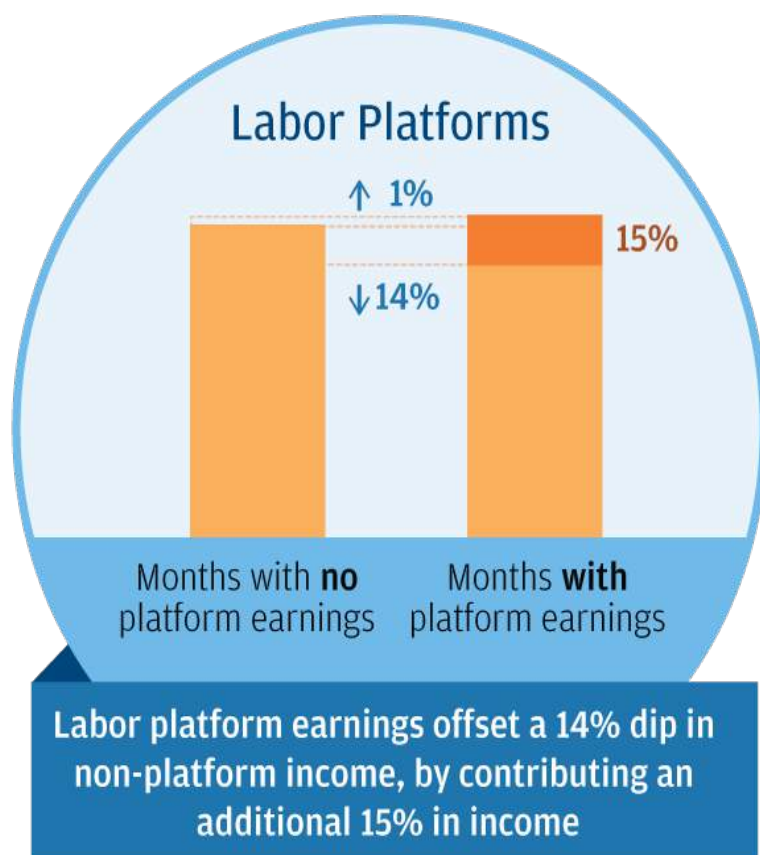
Mean: 10%





## Key Insight

Earnings from labor platforms offset dips in non-platform income, but earnings from capital platforms supplemented non-platform income



Non-Platform Income



Platform Income



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