A Generational Perspective on Living Standards:
Where We’ve Been and Prospects for the Future

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Federal Reserve System Community Development Research Conference
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Poll Finds Widespread Economic Anxiety

76% of Respondents in WSJ/NBC Poll Fear Their Children's Generation Will Have Fewer Opportunities—An All-Time High (Aug 5, 2014)
Real Median Family Income by Age Bracket, from 1885 to 1994 Birth Cohort*

* Families only, at exact date birth cohort coincides with age bracket; all series deflated to 2013 dollars with CPI-U-RS

** Trended from values for all 65+ before 1987

Source: CPS, Table F-11, Census (2015)
Lifecycle Income for Half Generations, in Constant 2013 $*

* All series deflated to 2013 dollars with CPI-U-RS
Source: IPUMS-CPS (1964-2014)
Lifecycle Income for Half Generations, Normalized to 100 Point Scale, in Constant 2013 $*

* All series deflated to 2013 dollars with CPI-U-RS
Source: IPUMS-CPS (1964-2014)
Alternative Measures of U.S. Standard of Living, 1947-2013, in Constant 2013 $*

* All series deflated to 2013 dollars with CPI-U-RS

Sources: SCF, Fed Bulletin (2013 and earlier years); CPS, Table F-11, Census (2015)
Real Median Family Net Worth, by Age: 1983 to 2013*

* All series deflated to 2013 dollars with CPI-U-RS
Source: Survey of Consumer Finances, Fed (2014 and earlier)
Average Net Worth and Composition of Assets and Liabilities of the Middle 60 Percent of the Wealth Distribution by Select 10-Year Age Groupings: 1989 and 2013*

* All series deflated to 2013 dollars with CPI-U-RS

Source: SCF (1989 and 2013)
Lifecycle Income for Early and Late G.I.s, Normalized to 100 Point Scale, in Constant 2013 $*

* All series deflated to 2013 dollars with CPI-U-RS
Source: IPUMS-CPS (1964-2014)
Lifecycle Income for Early and Late Silent, Normalized to 100 Point Scale, in Constant 2013 $*

* All series deflated to 2013 dollars with CPI-U-RS
Source: IPUMS-CPS (1964-2014)
**Recent American Generations**

- **Generation (Born)**: Childhood Era, Coming-of-Age
- **G.I. (1901-1924)**: World War I, Great Depression, Roaring 20s
- **Silent (1925-1942)**: Great Depression, Postwar High, World War II
- **Boom (1943-1960)**: Postwar High, Consciousness Revolution
- **Gen X (1961-1981)**: Consciousness, Culture Wars
- **Millennial (1982-2004?)**: Culture Wars, Financial Crisis ‘90s Boom, War on Terror

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**Sample Members**

- Bill & Hillary Clinton
- George & Laura Bush
- Mitt Romney
- Donald Trump
- Oprah Winfrey
- Steve Jobs

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**Lifecycle Income for Early and Late Boomers, Normalized to 100 Point Scale, in Constant 2013 $**

*All series deflated to 2013 dollars with CPI*

Source: IPUMS-CPS (1964-2014)

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**Gini Coefficients for Half Generations, by Average Age**

* All series deflated to 2013 dollars with CPI-U-RS

Source: IPUMS-CPS (1964-2014)
Change in Real Median Household Net Worth, by Age: 2007 to 2010*

- Under Age 35: -24%
- Age 35-44: -55%
- Age 45-54: -40%
- Age 55-64: -33%
- Age 65-74: -18%
- Age 75+: -3%

Recent American Generations

TODAY AGE 10 TO 32

SAMPLE MEMBERS

Mark Zuckerberg
LeBron James
Miranda Cosgrove
Michelle Wie
Lady Gaga
Christopher Paolini

60 80 100 120 140

2013 Dollars - Normalized to 100 point scale

Lifecycle Income for Millennials, Normalized to 100 Point Scale, in Constant 2013 $*

* All series deflated to 2013 dollars with CPI-U-RS
Source: IPUMS-CPS (1964-2014)
A Generational Perspective: Some Concluding Remarks

- The declining generational trend in median affluence is not a new development.
- Inequality is on the rise—and this too started with late Boomers.
- The relative affluence of today’s elderly is historically unprecedented.
- Generation X (in our opinion) is currently in the greatest danger.
- Millennials will be helped not just by their better macro timing, but also by a positive generational shift in their attitudes and behaviors.
- The American Dream is re-imagined by each generation.
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