

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

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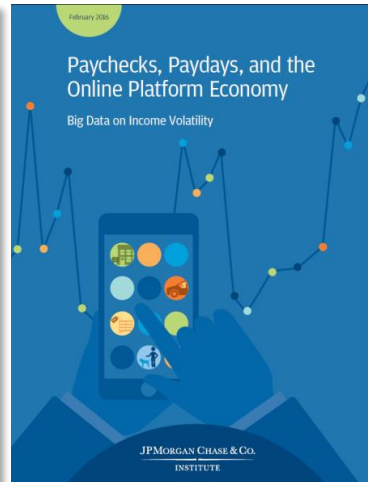
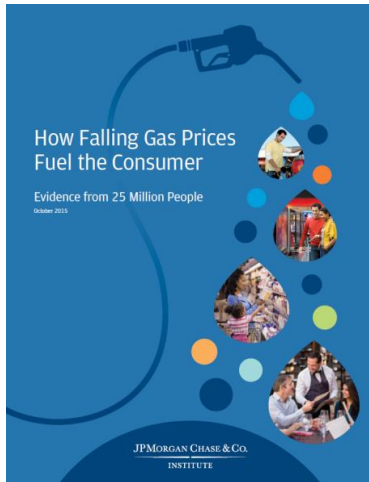
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JPMC Institute Household Finance Research

Reports



Insights



The Online Platform Economy:
Who earns the most?

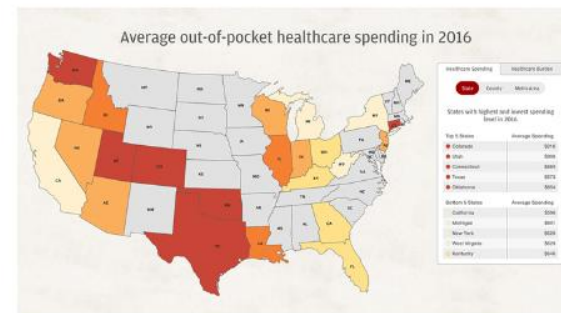


Past 65 and Still Working:
Big Data Insights on Senior
Citizens' Financial Lives

August 18, 2016

Data Visualization

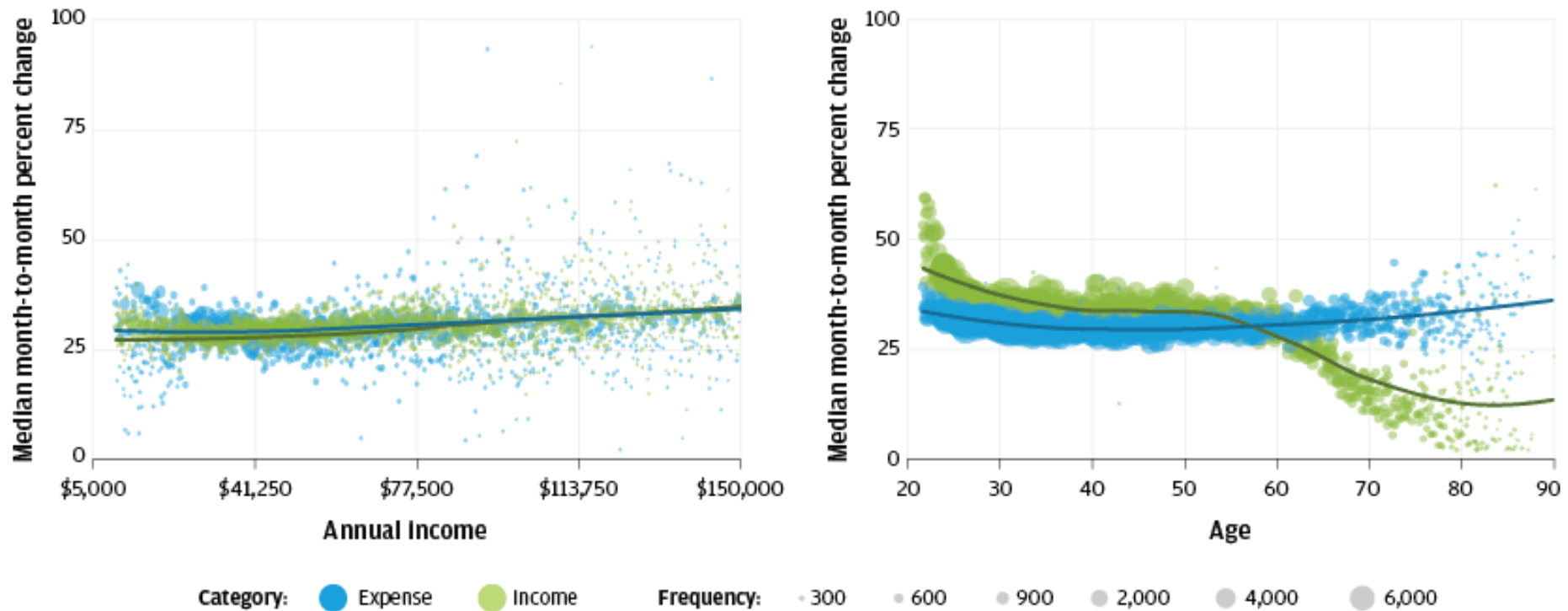
JPMCI HOSP Geographic Data Visualization Tool



Source: JPMorgan Chase Institute

People experience high degrees of income and spending volatility on a month to month basis

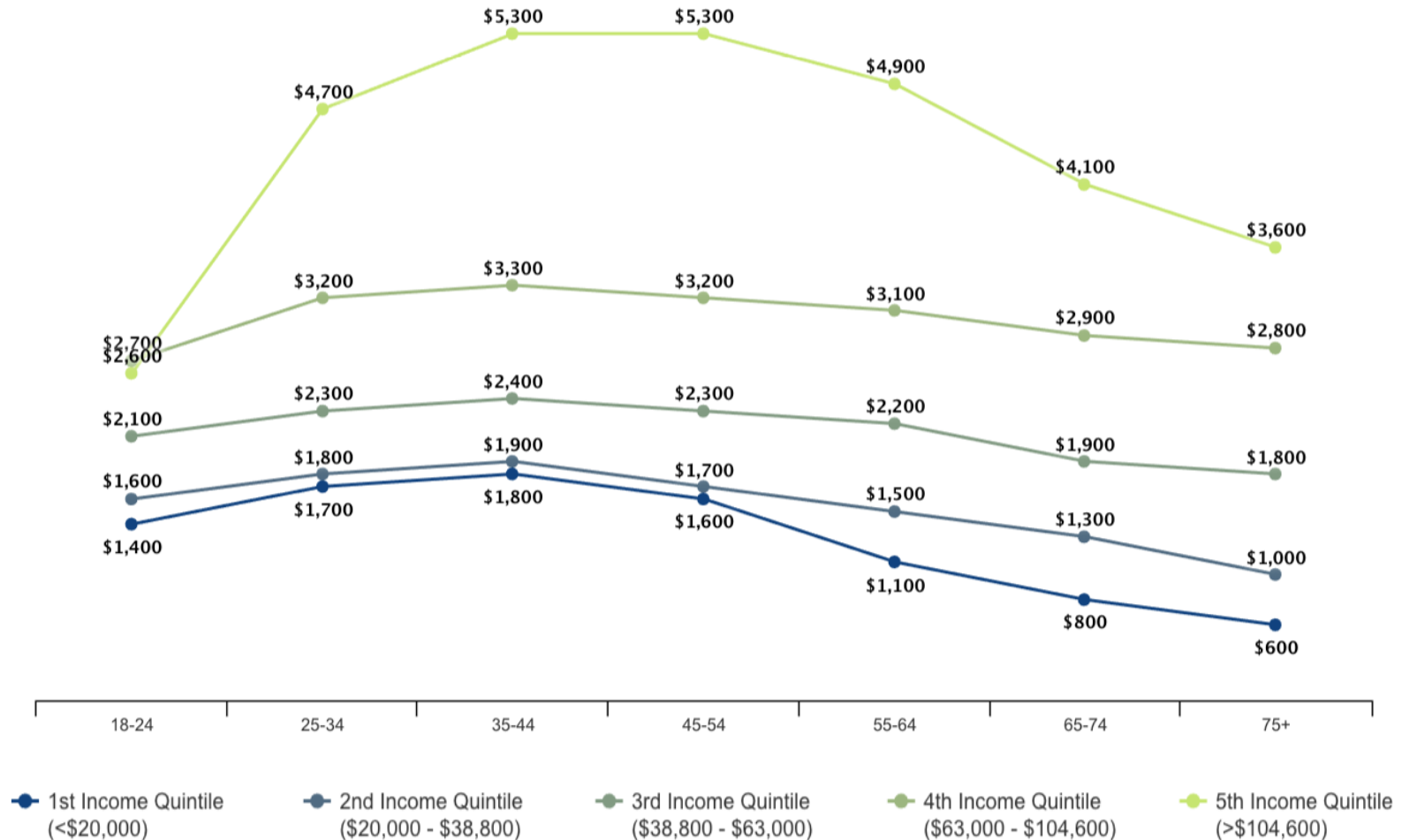
Month-to-month percent change in income and expenses, by income and age



Source: JPMorgan Chase Institute

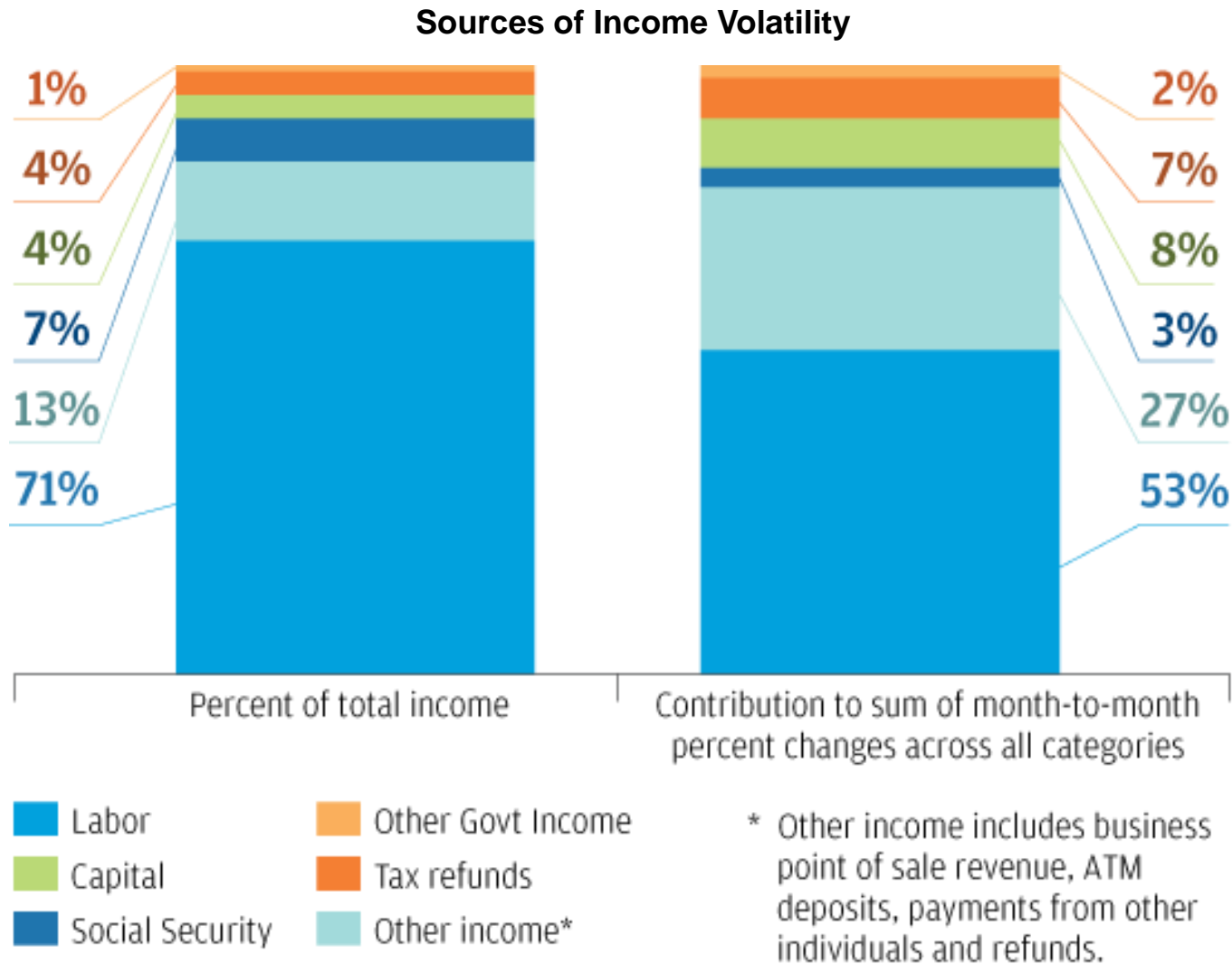
The everyday cash buffer necessary to weather typical levels of monthly income and spending volatility peaks at age 35-44 at \$2,400 for middle-income families

Sum of the absolute value of median income and spending fluctuations by income quintile and age



Source: JPMorgan Chase Institute

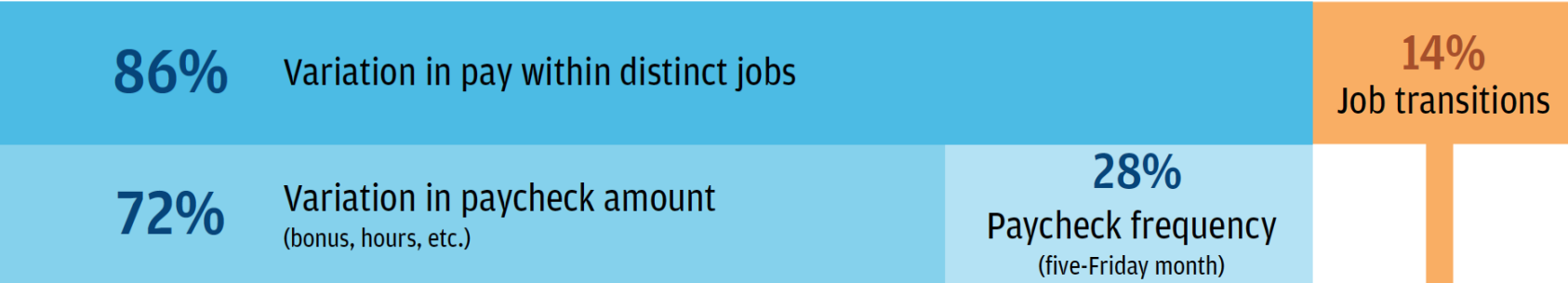
Labour income represents 71% of total income and contributes 53% of the volatility in total income



Source: JPMorgan Chase Institute

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



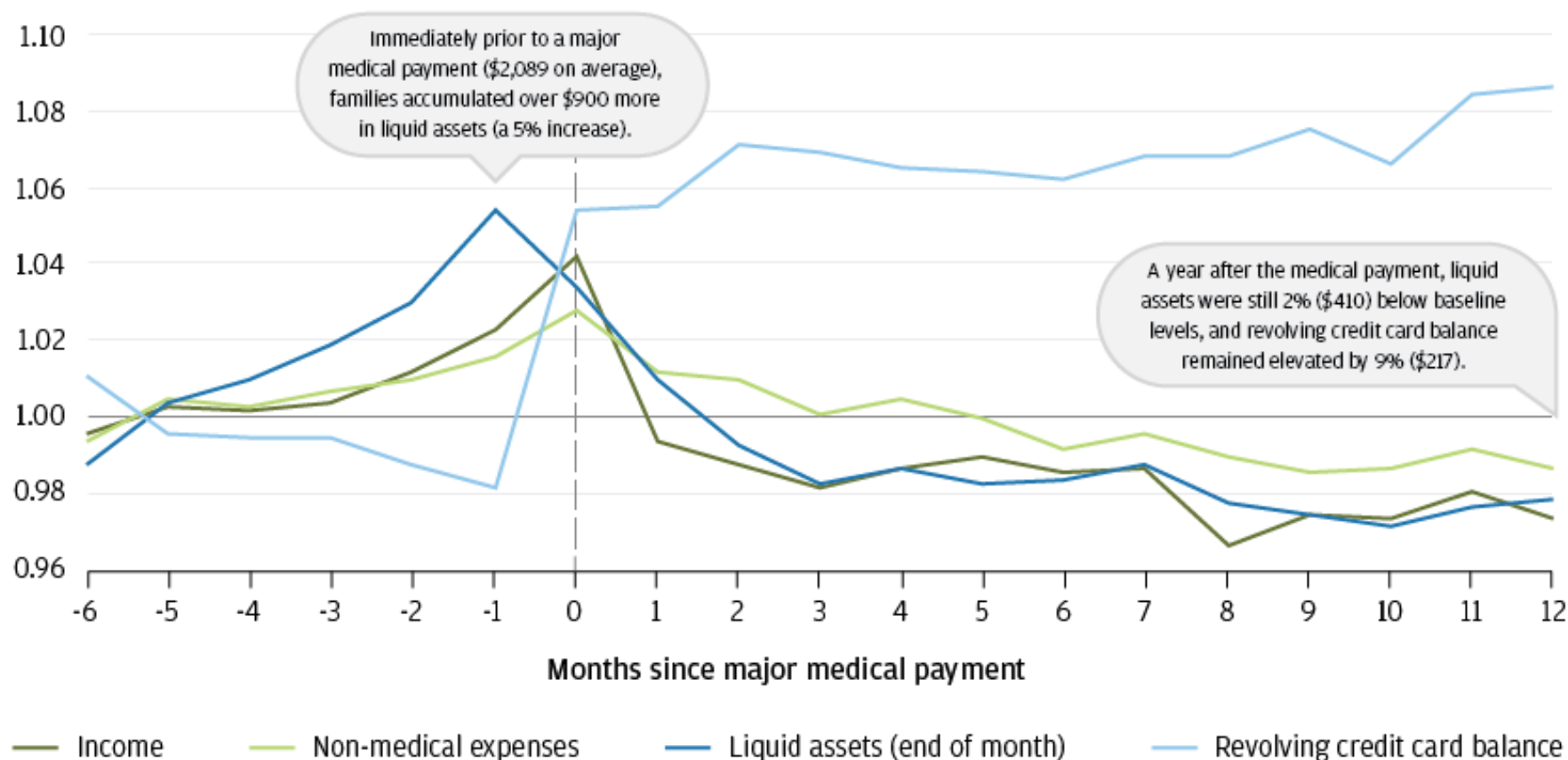
Median individuals experienced a \$1,108 change in monthly income when they gained or lost a job and \$830 when they switched jobs.



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

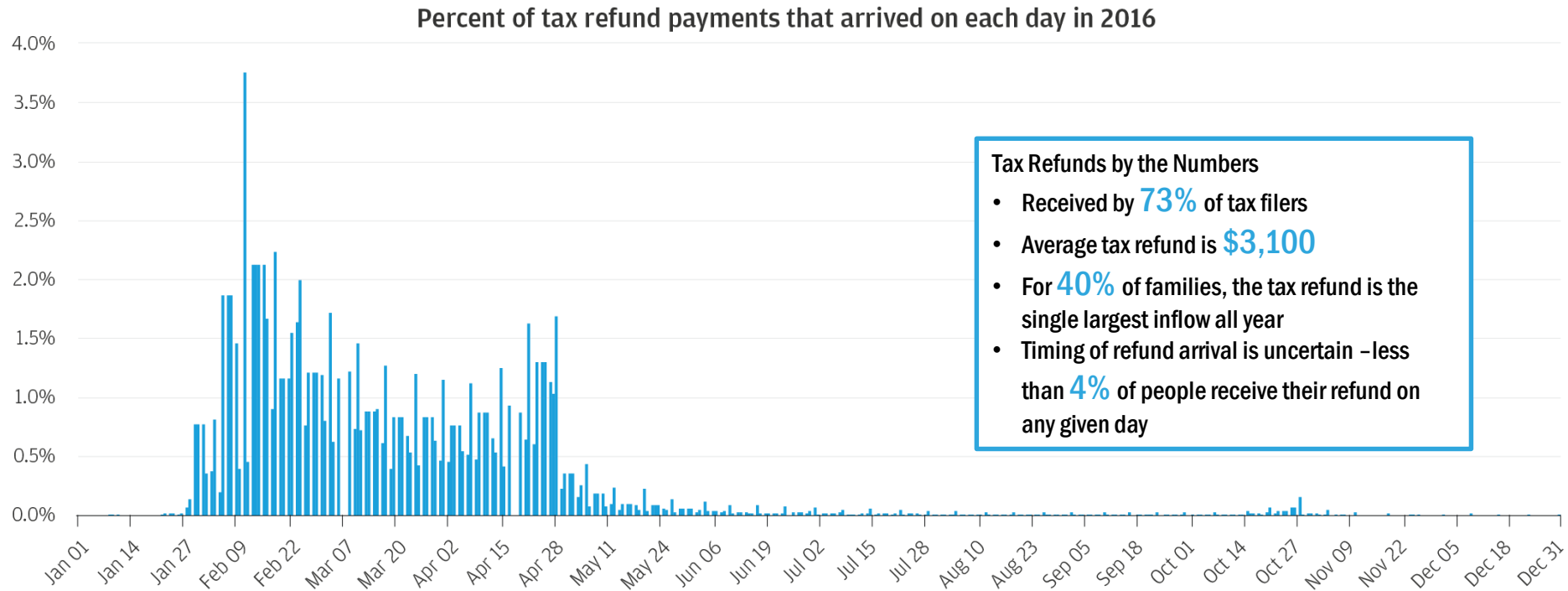
Major medical payments coincided with spikes in liquid assets and income, but families did not recover financially within 12 months after the payment

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

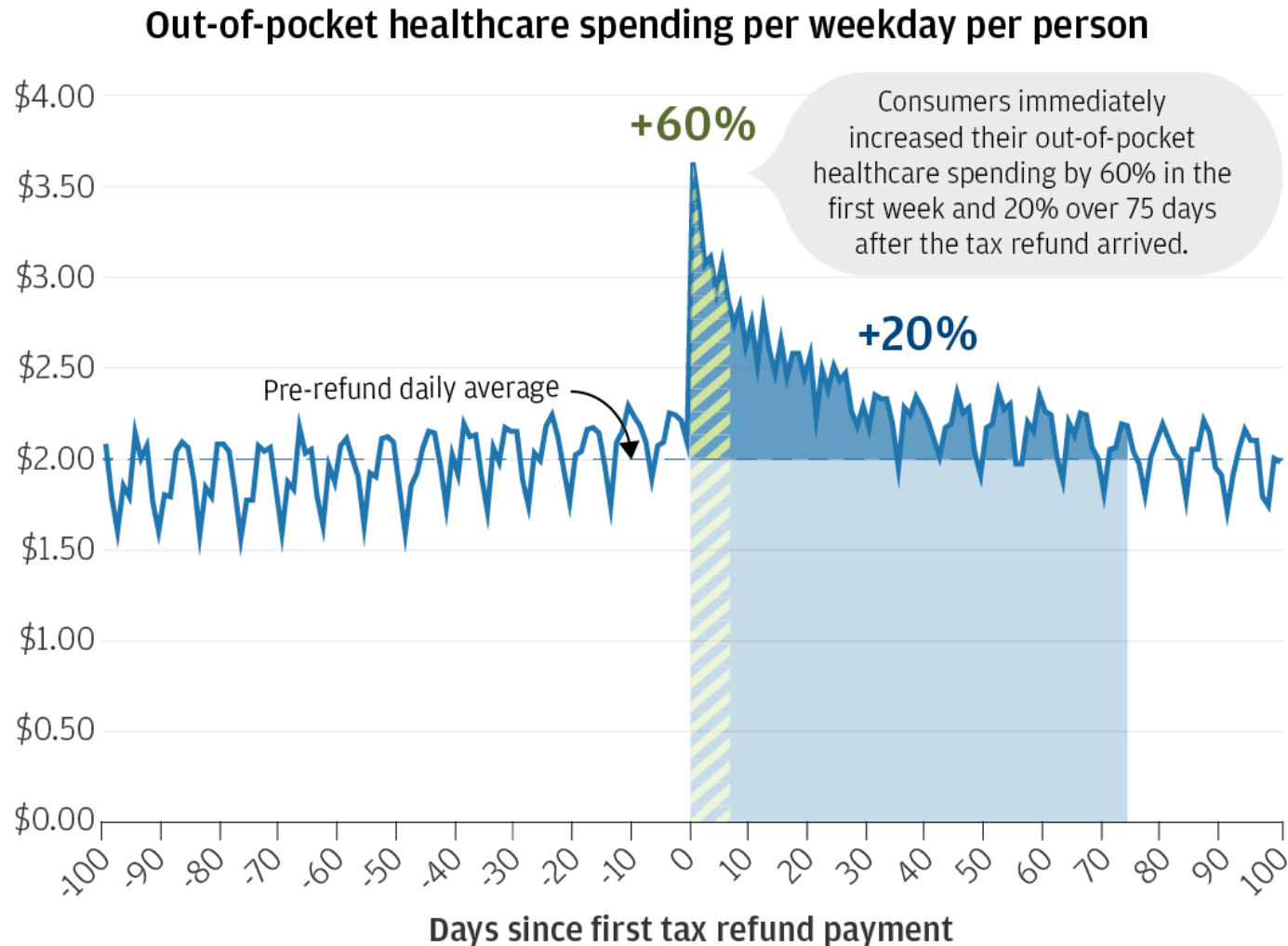


Source: JPMorgan Chase Institute

Tax refunds are a significant cash flow event for many households.

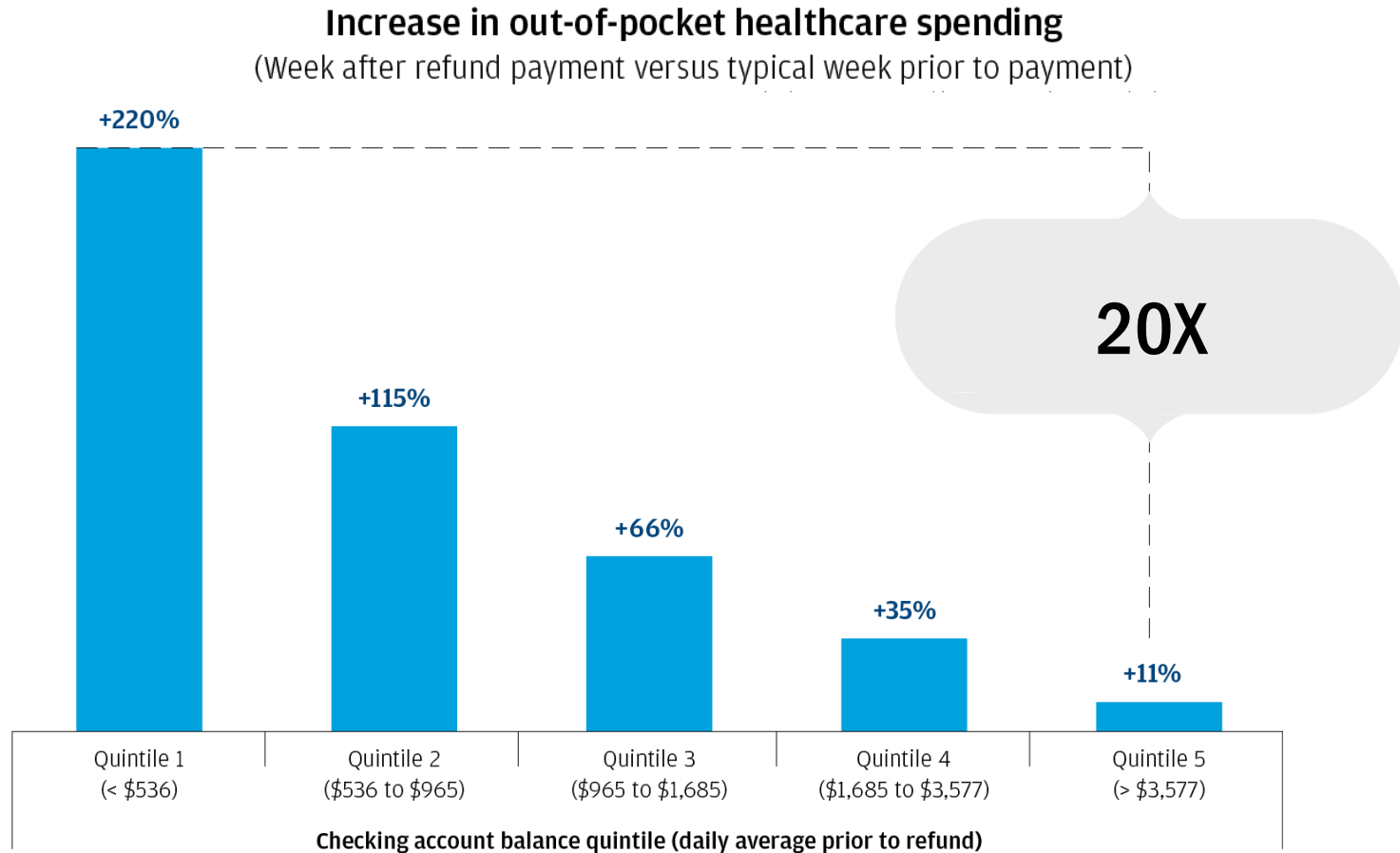


Consumers immediately increased their out-of-pocket healthcare spending by 60% in the first week and 20% in the 75 days after receiving a tax refund payment.

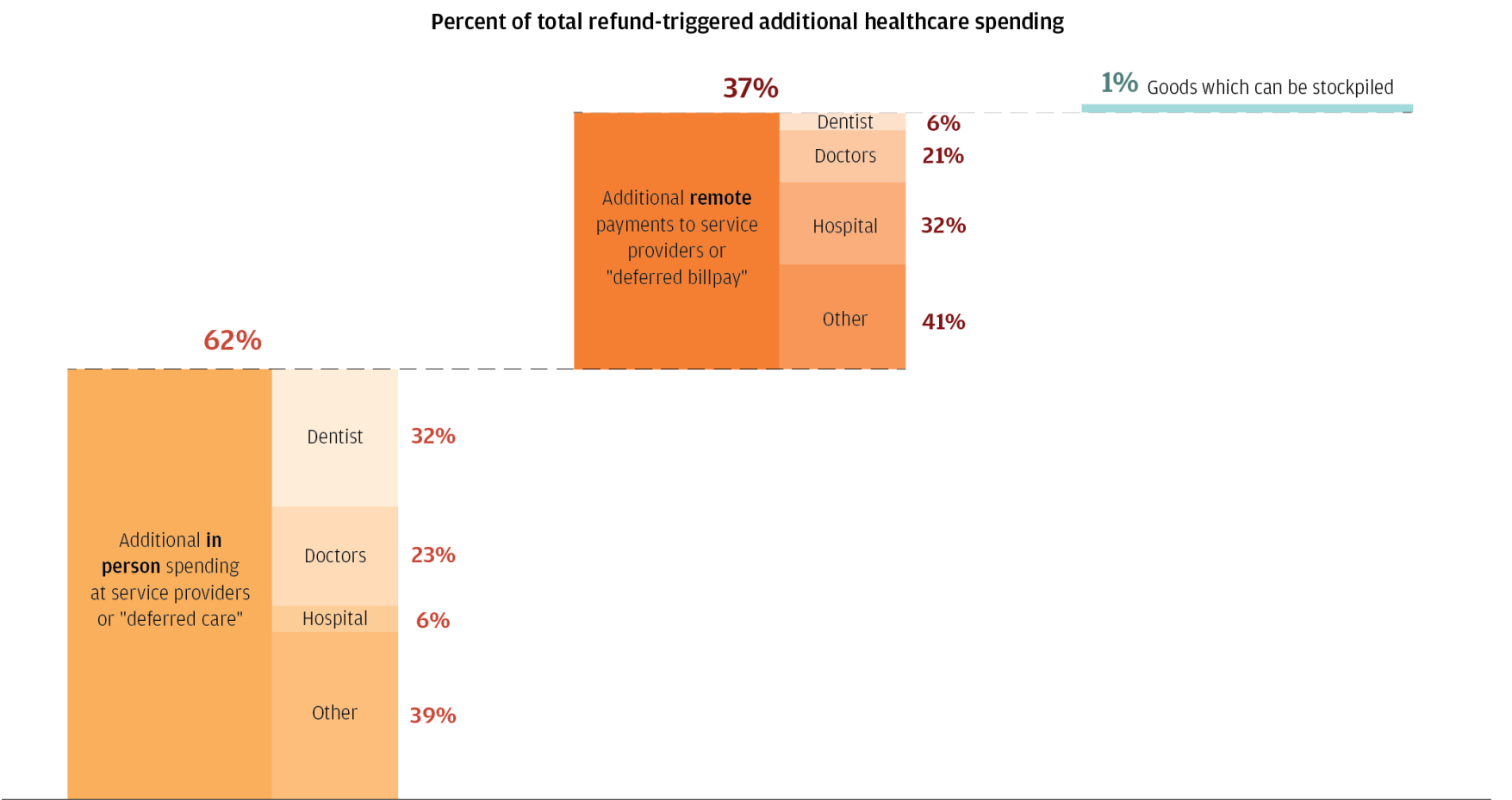


Source: JPMorgan Chase Institute

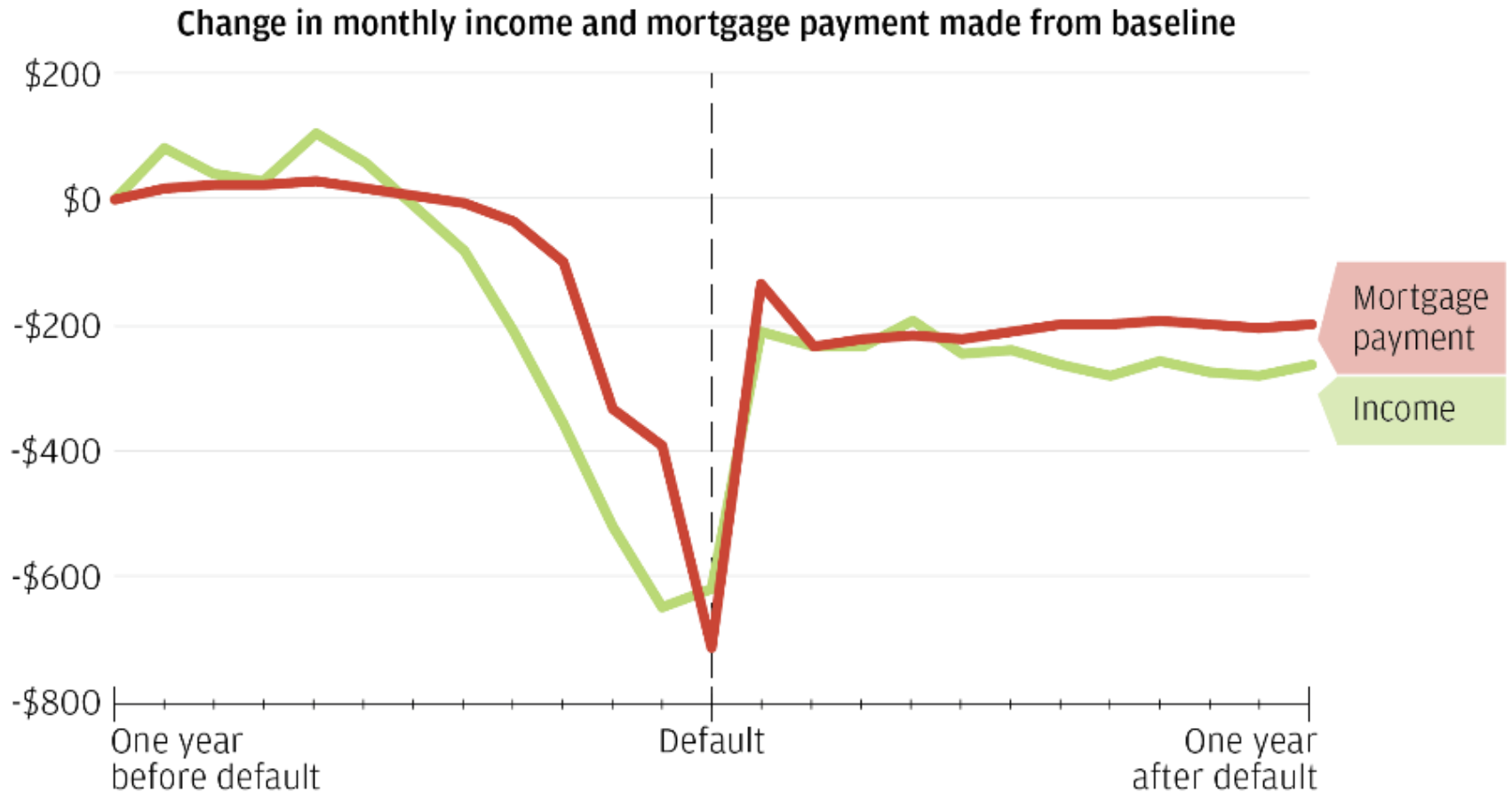
Account holders with the lowest checking account balances increased their out-of-pocket healthcare spending after the tax refund by 20X more than those with the highest balances.



In-person payments to healthcare service providers represented 62% of additional healthcare spending, suggesting that cash flow dynamics influenced when consumers received care, not just when they paid for it.

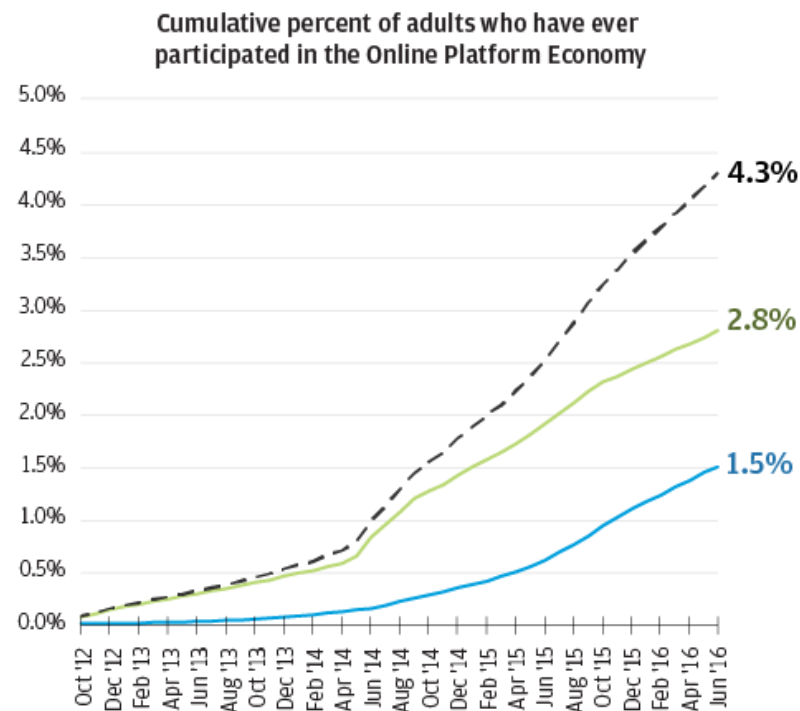
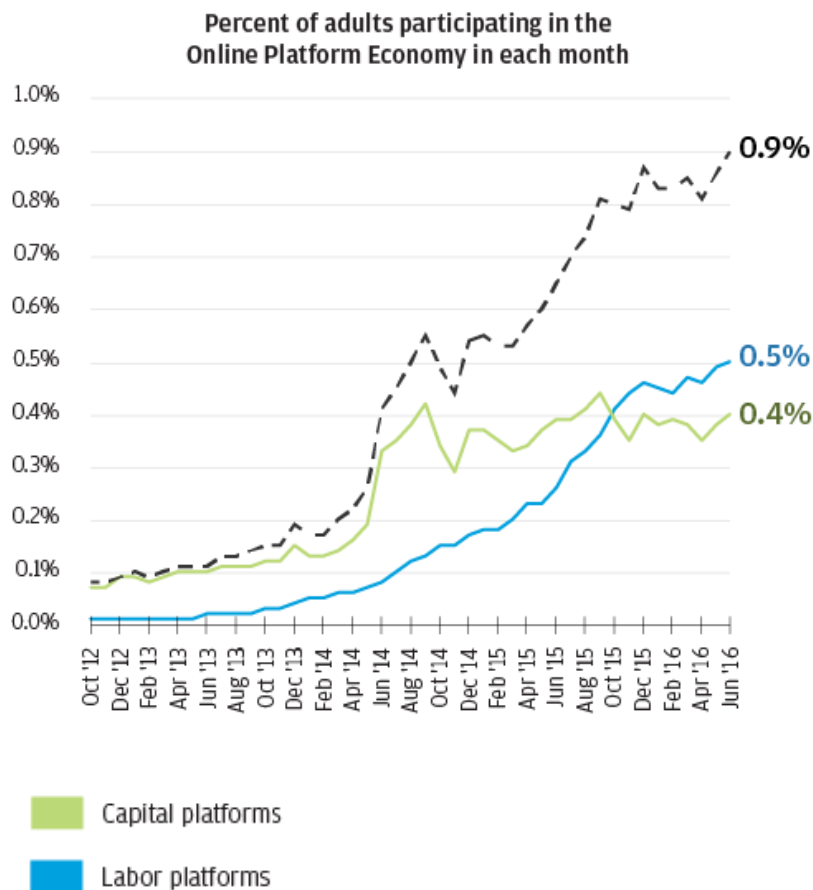


Income fluctuations influence not just spending but also mortgage default, regardless of payment affordability or home equity.



With the rise of the Online Platform Economy and contingent work more broadly, will we see an increase in income volatility?

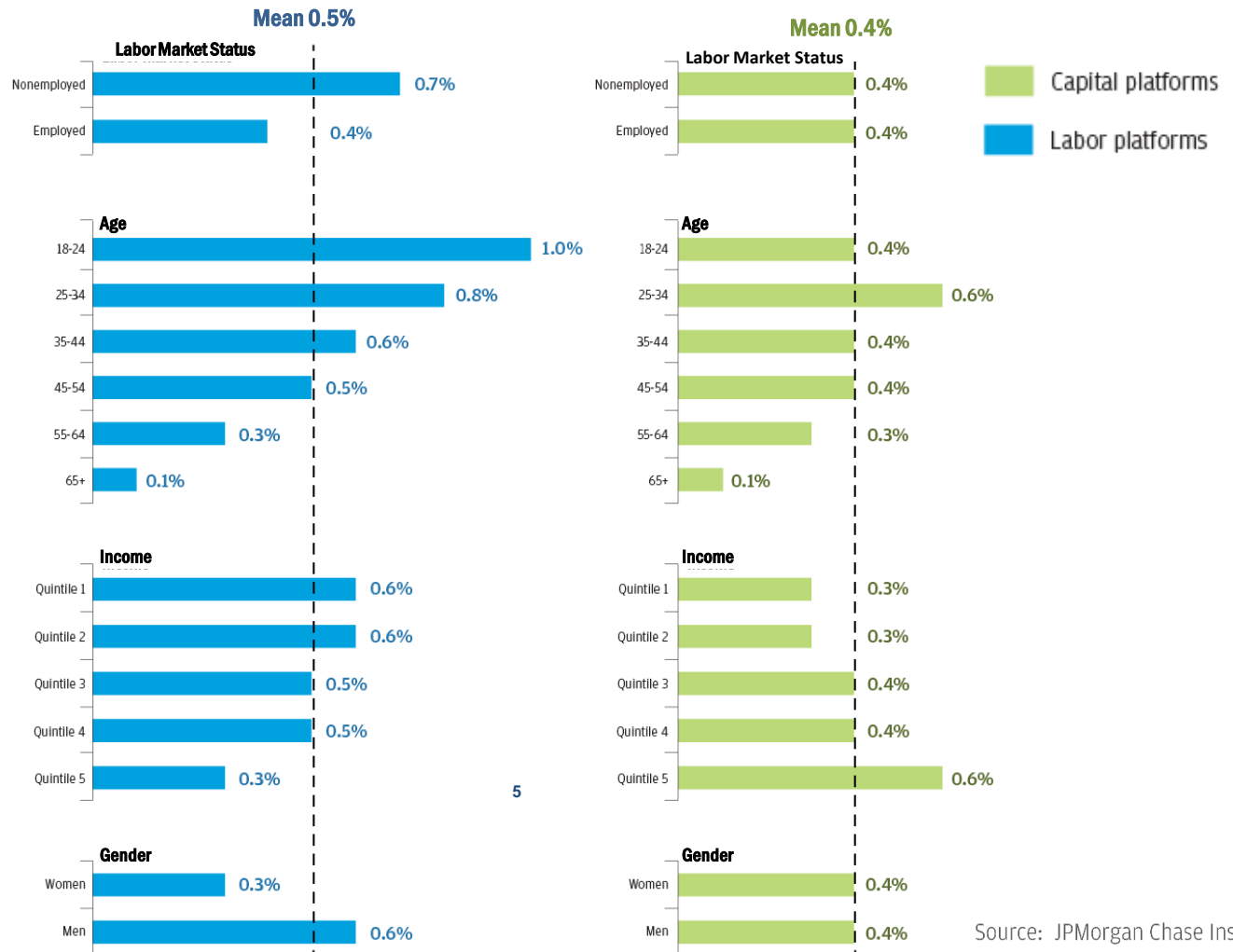
Monthly participation in the Online Platform Economy slowed in 2016 while cumulative participation continued to grow



Source: JPMorgan Chase Institute

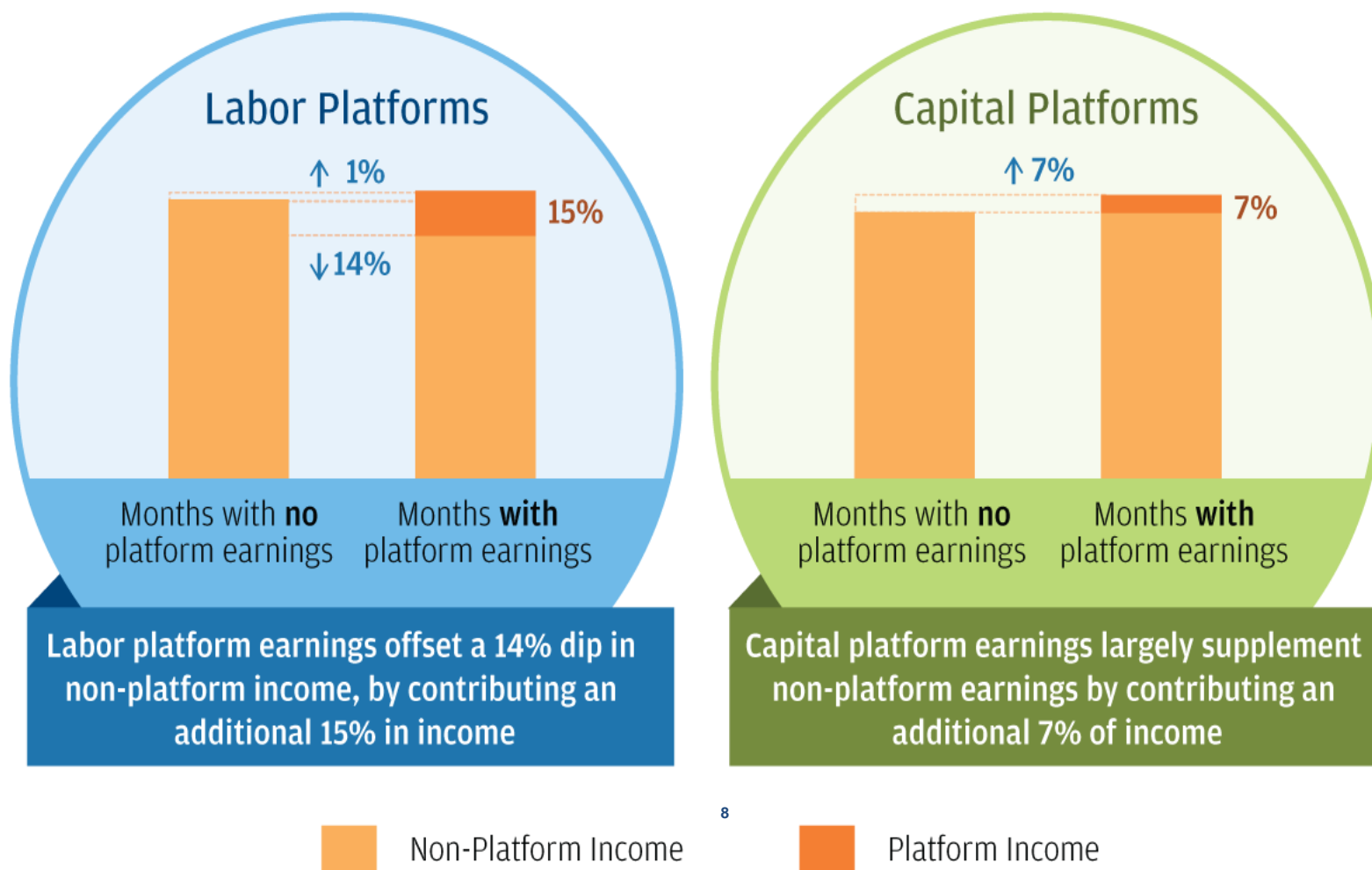
The nonemployed, young, lower-income, and men were more likely to participate in labor platforms; less so on capital platforms

Percent participating in the Online Platform Economy in June 2016



5

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



8

Source: JPMorgan Chase Institute

How to leverage income spikes for saving: Most people receive an income spike in five-Friday months, tax season, and between December and March 15

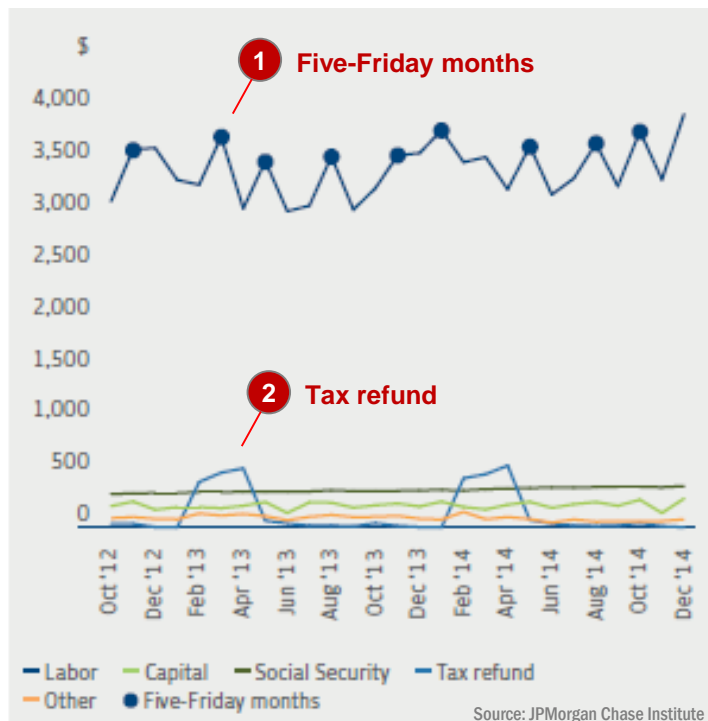
Three key sources of positive income volatility...

- 1 **Five-Friday months** when ~80% of families receive an additional paycheck from jobs that pay weekly or bi-weekly.
- 2 About 70% of tax filers receive a **tax refund** which typically arrives between February and April and.
- 3 **Paycheck values spike between December and March 15** for 61% of families, possibly related to extended holiday hours or end-of-year bonuses.

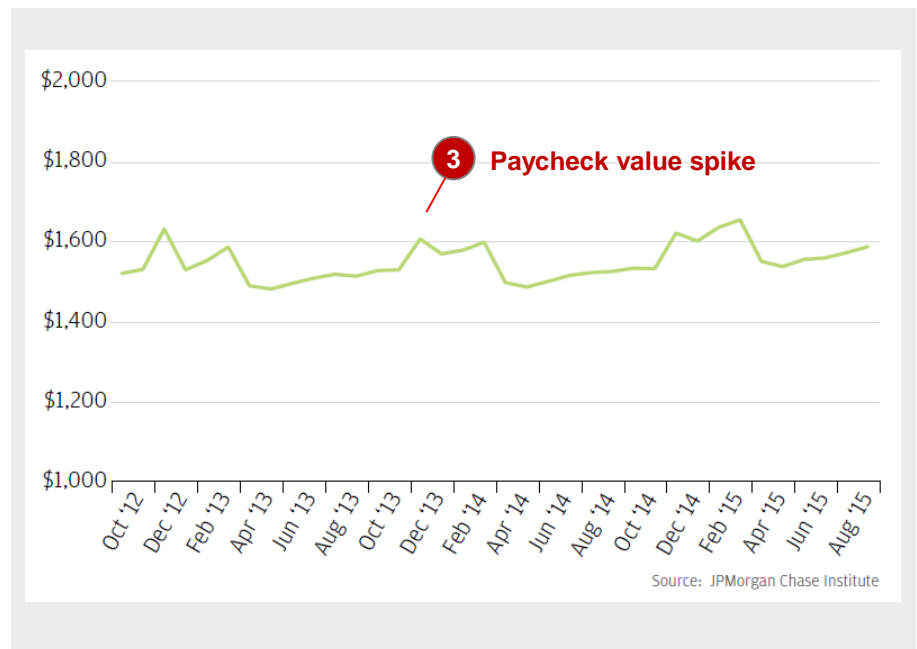
... could become savings moments

- Save \$400 in five-Friday months
- Save 50% of my tax refund or pre-allocate tax withholdings to savings
- Save \$200 on Jan 31

Mean inflows by income source and month



Mean labor paycheck amount by month



Source: JPMorgan Chase Institute

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