Millennials and Saving

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Median Net Worth Among Young Households (1989-2016)

The regression shows the coefficient (and 2-standard-error bounds) for an indicator variable for African American households, in a regression of wealth on age and income categories, education, and race/ethnicity. All figures are in 2016 dollars.
Headwinds and Tailwinds Facing Millennials

• More Educational attainment

• Shift from DB to DC plans

• Bad Timing – Macro and Micro Trends

• Adverse changes in the Life Cycle
Headwinds and Tailwinds Facing Millennials

**EDUCATION**
- Higher Wages: +/+
- Longer Career
- Less Early Retirement: +/−
- 401 (K): +/−
- Harder to Manage

**TIMING**
- Recession, Low r, Fiscal Gap: −/−
- Contingent Work, AI
- Delayed Decisions, Student Debt: −/−
- Longer Lifespan
Headwinds and Tailwinds Facing Millennials

EDUCATION
- Higher Wages
  + / +
- Longer Career
- Less Early Retirement
  + / -
- 401 (K)
  + / -
  Harder to Manage

TIMING
- Recession, Low r, Fiscal Gap
  - / -
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- Delayed Decisions, Student Debt
  - / -
  Longer Lifespan

LIFE CYCLE
GenX and Early Millennials vs. Current Retirees

Note: Vertical axis indexes measures for future retirees as a share of those for current retirees. Relative poverty rate represents the share with incomes less than 50 percent of the median across all age groups.

Source: Butrica (2019)