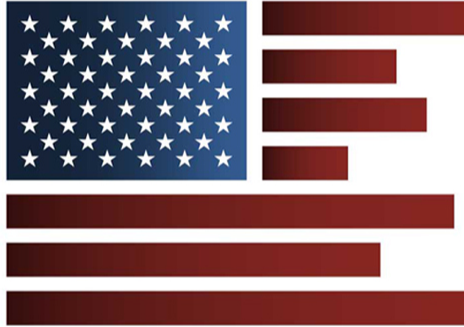


STATE of the UNION

A stylized graphic of the American flag, featuring a blue field with white stars and red and white horizontal stripes.

POVERTY AND SAFETY NET

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Millennial Poverty: Assessing Generational Change and the State of the Safety Net

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Research Questions

- Is there evidence of generational change in the prevalence of poverty, deep poverty, or the overall income distribution?
- Is there evidence of generational change in the effectiveness and size of the safety net and its core components?
- Are there demographic differences in generational change in these outcomes?

Methodology

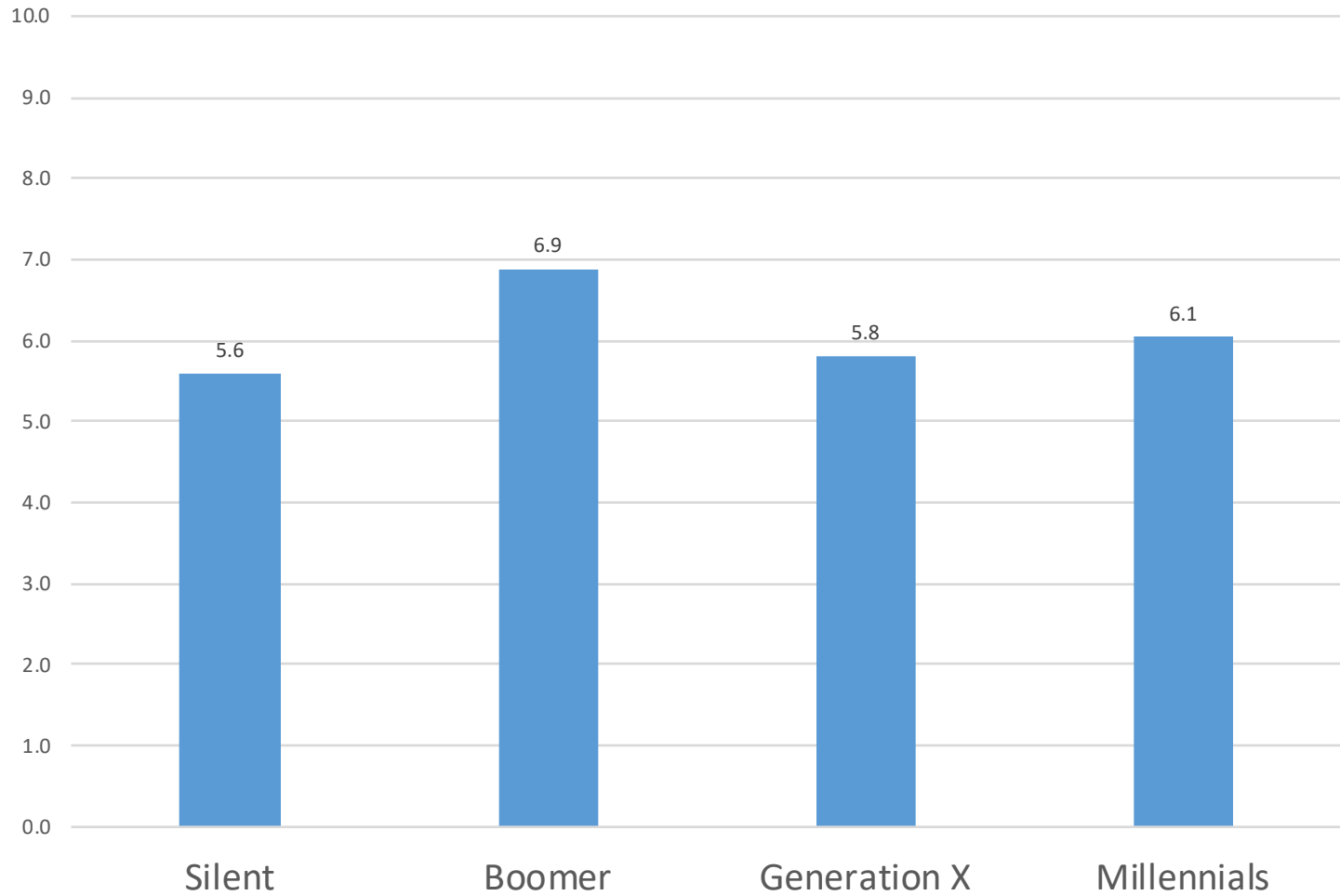
- Annual Social and Economic Supplement of the Current Population Survey
- (Anchored) Supplemental Poverty Measure (and its historical variants)
- Pool observations at 30 years old across individual survey years
- Descriptive analysis at present

Generational Differences

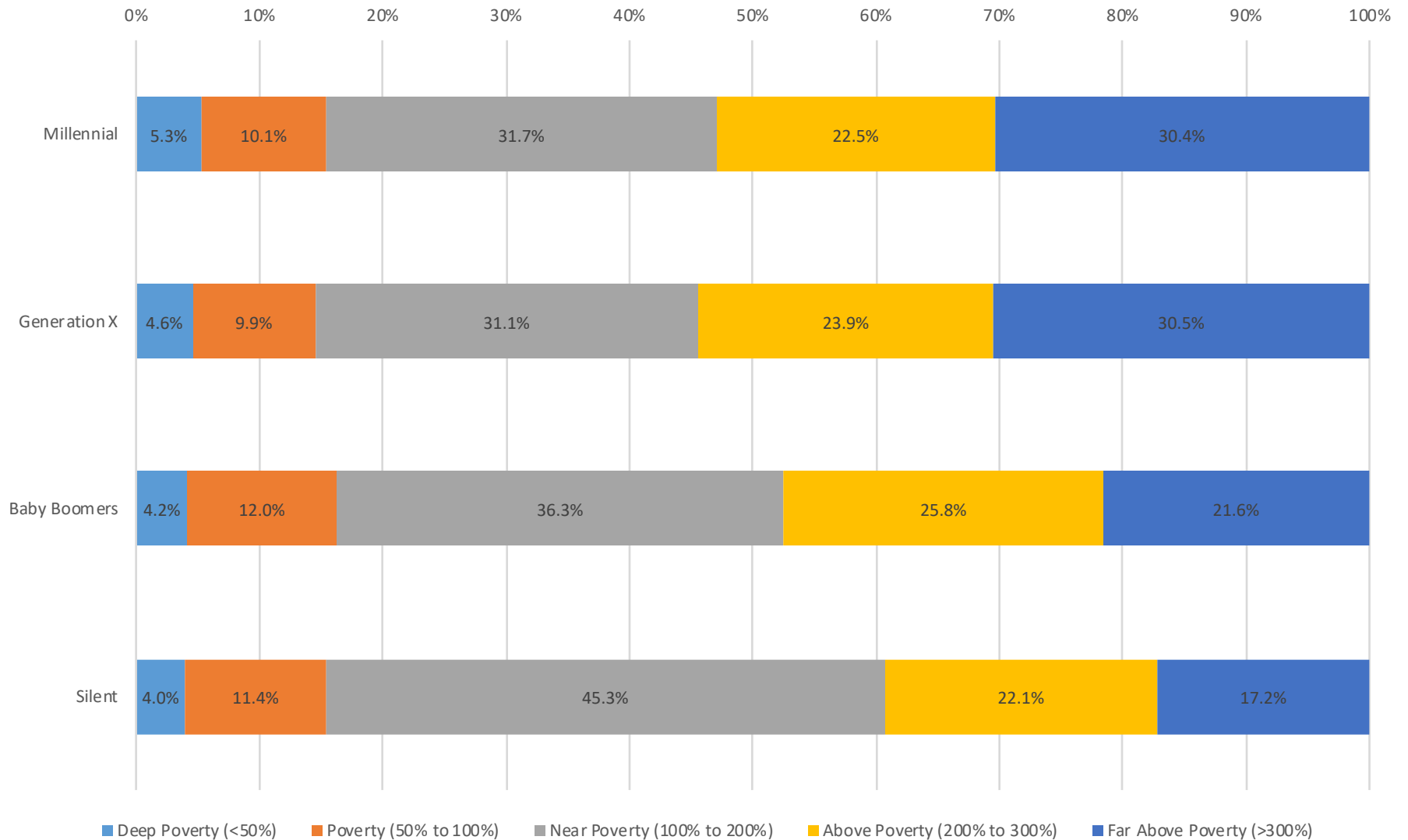
- Silent: Born 1938 to 1946; Age 30 1968 to 1976
- Boomer: Born 1947 to 1965; Age 30 1977 to 1995
- Generation X: Born 1966 to 1981; Age 30 1996 to 2011
- Millennials: Born 1982 to 1987; Age 30 2012 to 2017

- NOTES: Race/ethnicity begins in 1972, not 1968
- NOTES: Millennials will eventually be extended

Average Unemployment Rate by Generation



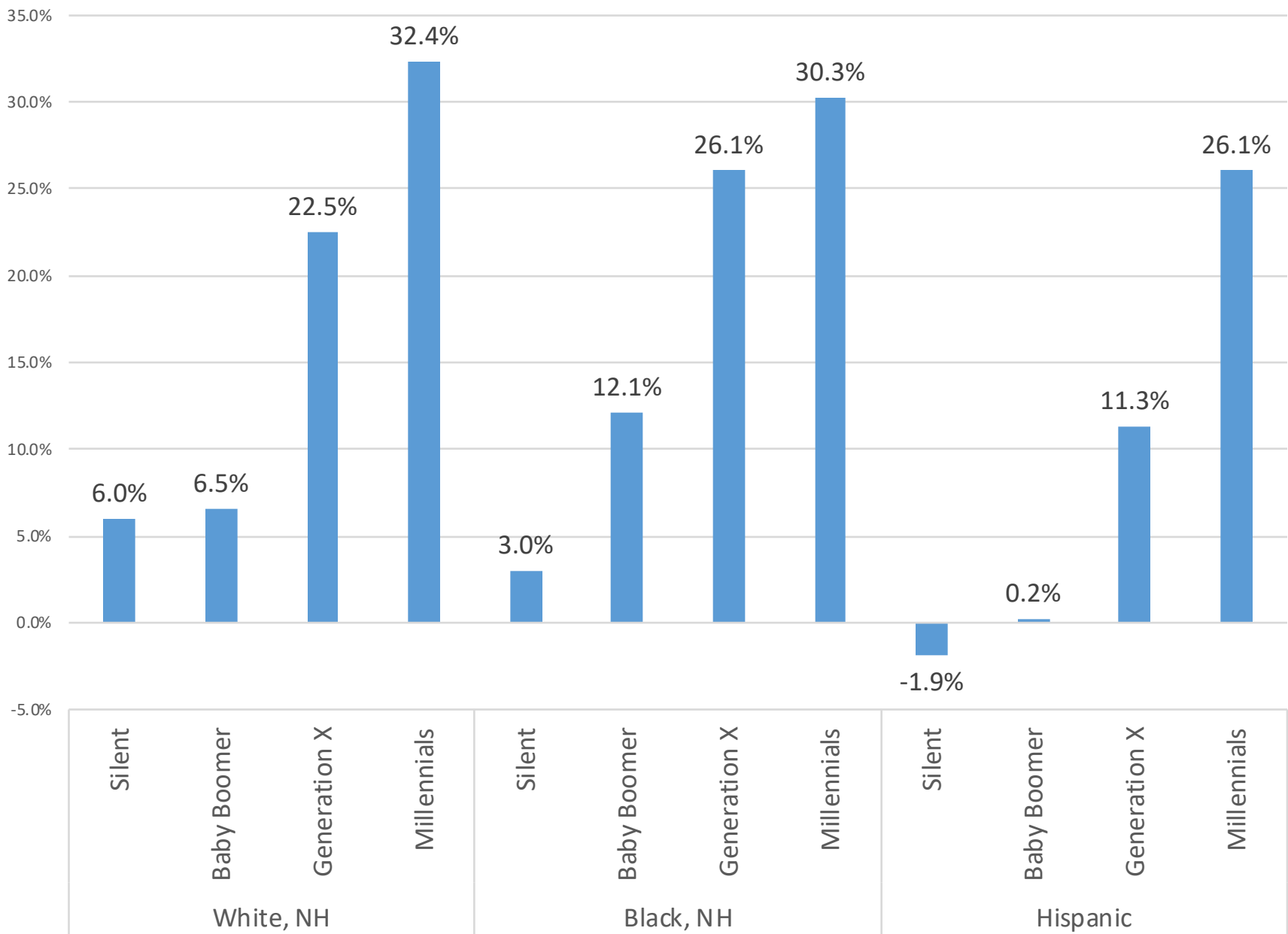
Poverty rates are broadly similar across generations, though deep poverty is slightly higher among Millennials; Recent generations are more likely to be “near poverty” and more likely to be “far above poverty.”



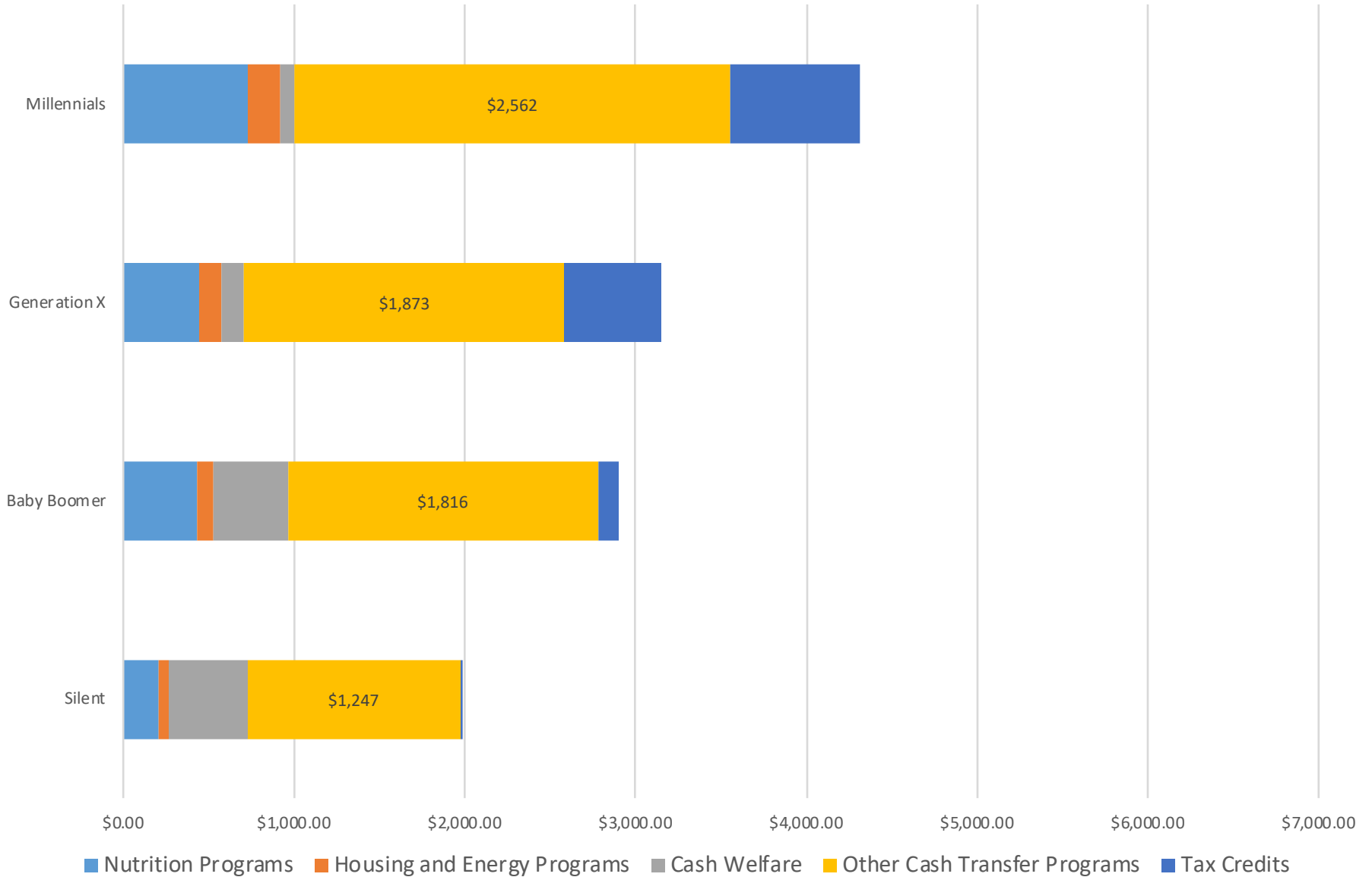
Millennial poverty would be higher absent tax credits and transfer programs.

Generation	Anchored SPM poverty rate, pre-tax, pre-transfer	Anchored SPM poverty rate	Percentage reduction in poverty from taxes and transfers
Silent	14.9%	15.6%	-4.9%
Baby Boomers	17.3%	16.3%	5.7%
Generation X	17.8%	14.6%	17.9%
Millennials	21.0%	15.4%	26.9%

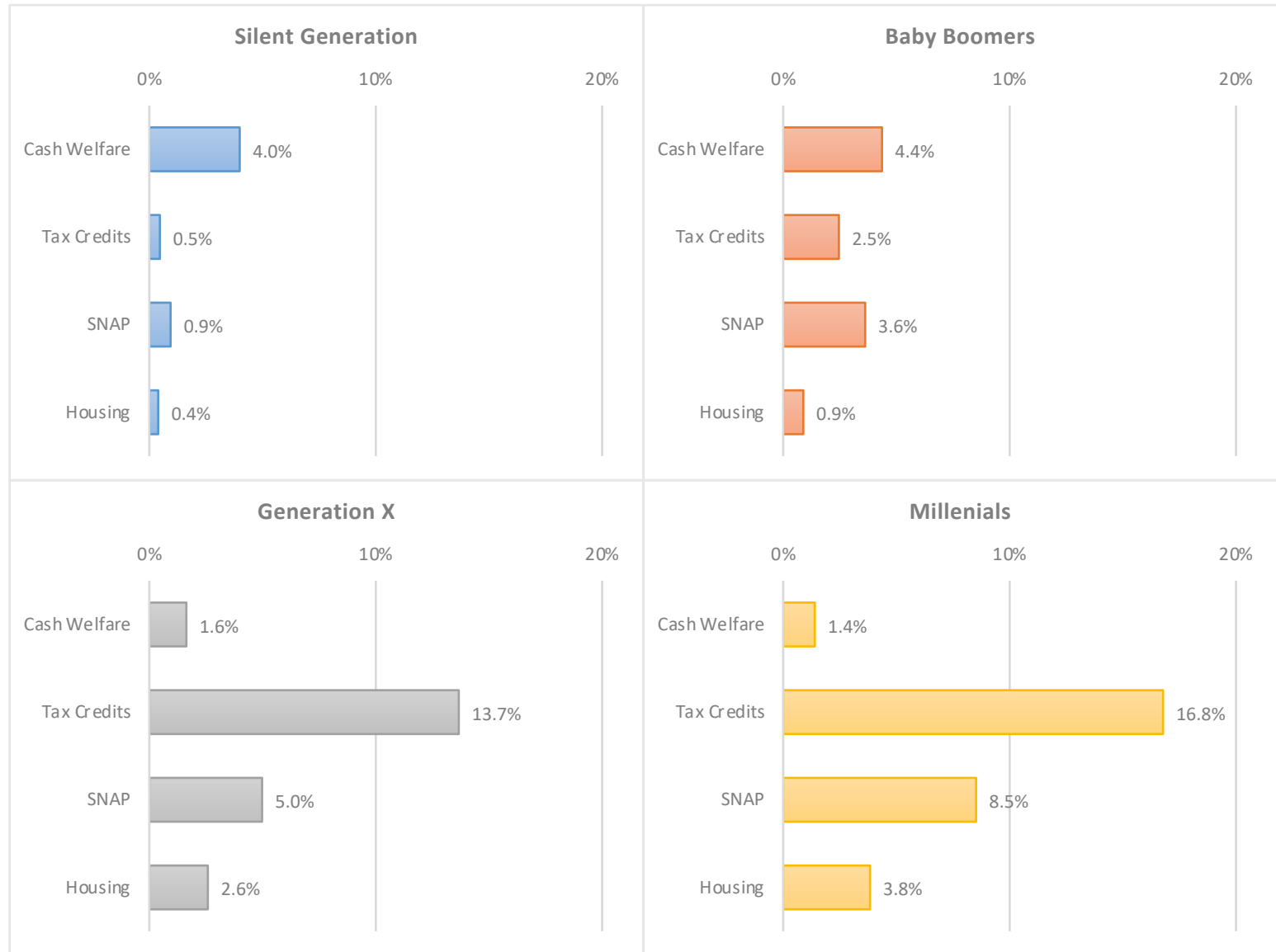
Percent reduction in poverty from taxes and transfers by race/ethnicity



Millennials receive substantially more money from government assistance programs than any previous generation (2016 \$)



Relative poverty reduction of specific programs



Conclusions and next steps

- There is not much evidence that poverty has increased, some small evidence that deep poverty has increased across generations.
- However, this is largely because of the growing role of taxes and transfers (aka “the safety net”)
- The composition of the safety net and its effects are also changing over time.
- Next steps:
 - A closer look at the components of pre-tax/pre-transfer income and work
 - More detailed examination of other family members and cohabiting partners
 - Household income?