

Macro Roundup Article

Headline: [Older Americans Are Winning the Economic War of the Generations](#)

Article Link: <https://www.nytimes.com/2023/10/27/opinion/aging-medicare-social-security.html>

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Tweet: Since 1960, older Americans have increased their consumption relative to younger Americans. @petercoy, citing arguments by @Kotlikoff, writes that this has likely lowered domestic investment.

Summary: The horizontal axis is age, from birth to 85-plus. The vertical axis compares consumption at each age with the average labor income of people ages 30 to 49 in that year. So, for example, people age 40 in 2021 had total consumption of 0.7, which is to say around 70 percent of average labor income for people ages 30 to 49. The last data point in each chart covers all ages 85 and up, not just age 85. (That's why there's such a jump in 2021 from age 84.) Here's why that matters for the economy: When a larger share of resources are in the hands of the elderly — those eager to spend sooner rather than later — the economy's saving rate, which provides funds for new investment, drops. Related: The US Capital Glut and Other Myths

Primary Topic: Investment

Topics: Database, Fiscal Policy, Government Spending, Important!, Investment, Op-Ed/Blog Post, Productivity

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