

## Macro Roundup Article

**Headline:** [Which Households Are Most Exposed to the Inflation “Tax”?](#)

**Article Link:** <https://www.stlouisfed.org/on-the-economy/2023/jun/which-households-most-exposed-inflation-tax>

Author(s)	Yu-Ting Chiang and Jesse LaBelle
Publication	Federal Reserve Bank of St. Louis
Publication Date	June 27, 2023

**Tweet:** [@YuTingChiang4](#) and [@JesseLaBelle11](#) find that overall households in the top quintile of net worth, who tend to be older, have taken the biggest hit from inflation due to their Treasury holdings.

**Summary:** For households in the top wealth quintile, Treasuries become a more important element of their balance sheets, topping at 6% for the oldest and wealthiest group (the fifth quintile). However, for the second to fourth wealth quintiles, holdings of Treasuries as a share of net worth tend to fluctuate with age: increasing from the 20s age group to middle age, but then decreasing gradually. This transition likely reflects the change in household asset holdings over the life cycle. We can interpret the numbers in the second figure as showing how much households' wealth in each group is exposed to the implicit inflation tax through their Treasury holdings. Overall, the older, wealthiest households and the groups that are both middle-aged and middle wealth seem to be the most exposed.

**Primary Topic:** Inflation

**Topics:** GDP, Inflation, Op-Ed/Blog Post, Weekly

**Permalink:** <https://www.edwardconard.com/macro-roundup/yutingchiang4-and-jesselabelle11-find-that-overall-households-in-the-top-quintile-of-net-worth-who-tend-to-be-older-have-taken-the-biggest-hit-from-inflation-due-to-their-treasury-holdings?view=detail>

**Featured Image Link:** <https://www.edwardconard.com/wp-content/uploads/2023/06/Share-of-Net-Wealth-Held-In-Treasuries-in-2019.jpg>