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# Real-World Shocks and Policy Developments

2022 Symposium: Real-World Shocks and Retirement System Resiliency | April 2022

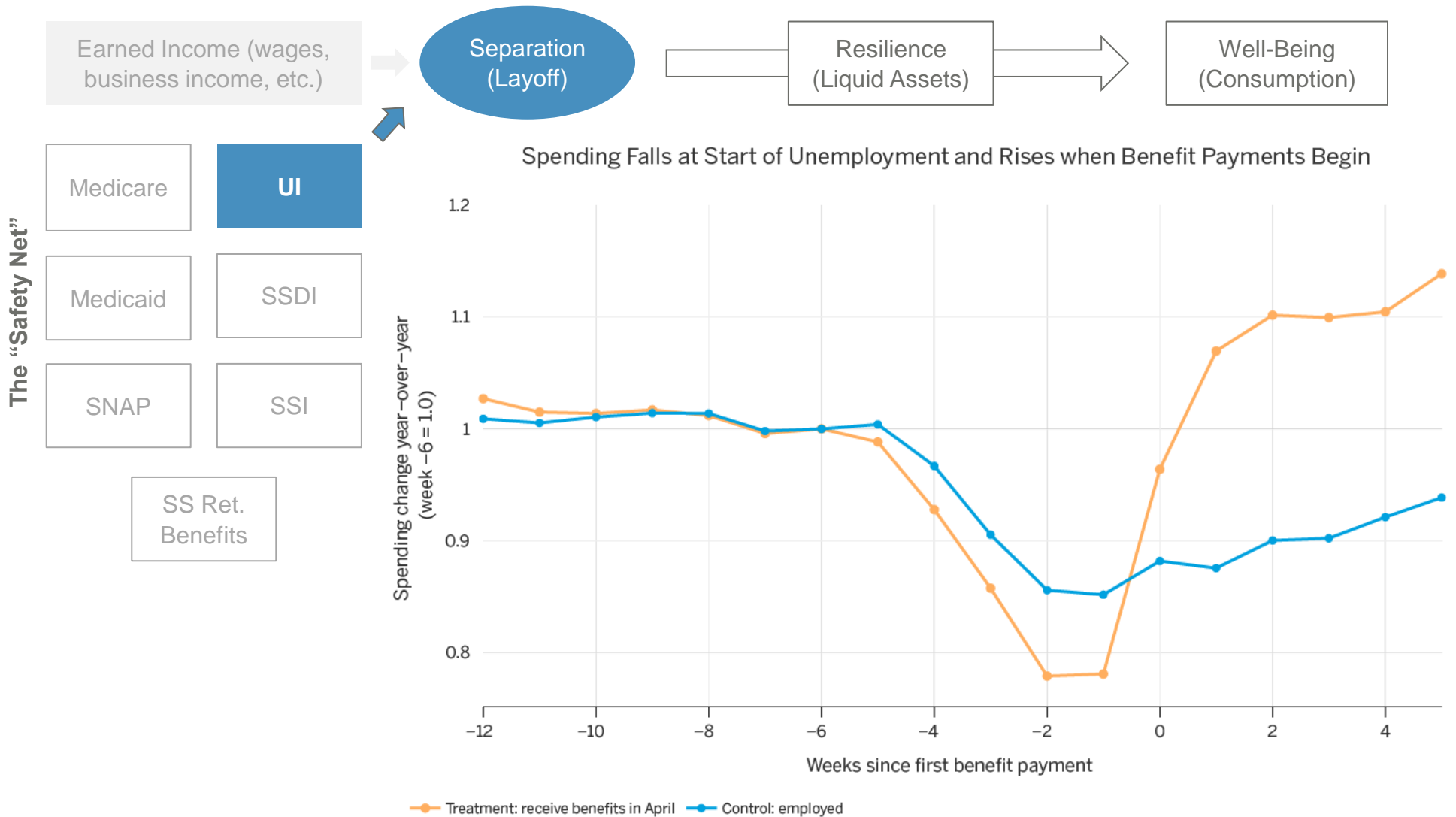
Chris Wheat  
JPMorgan Chase Institute

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JPMORGAN CHASE & CO.

# How does the safety net respond in a recession to support the well-being of prime working-age people?

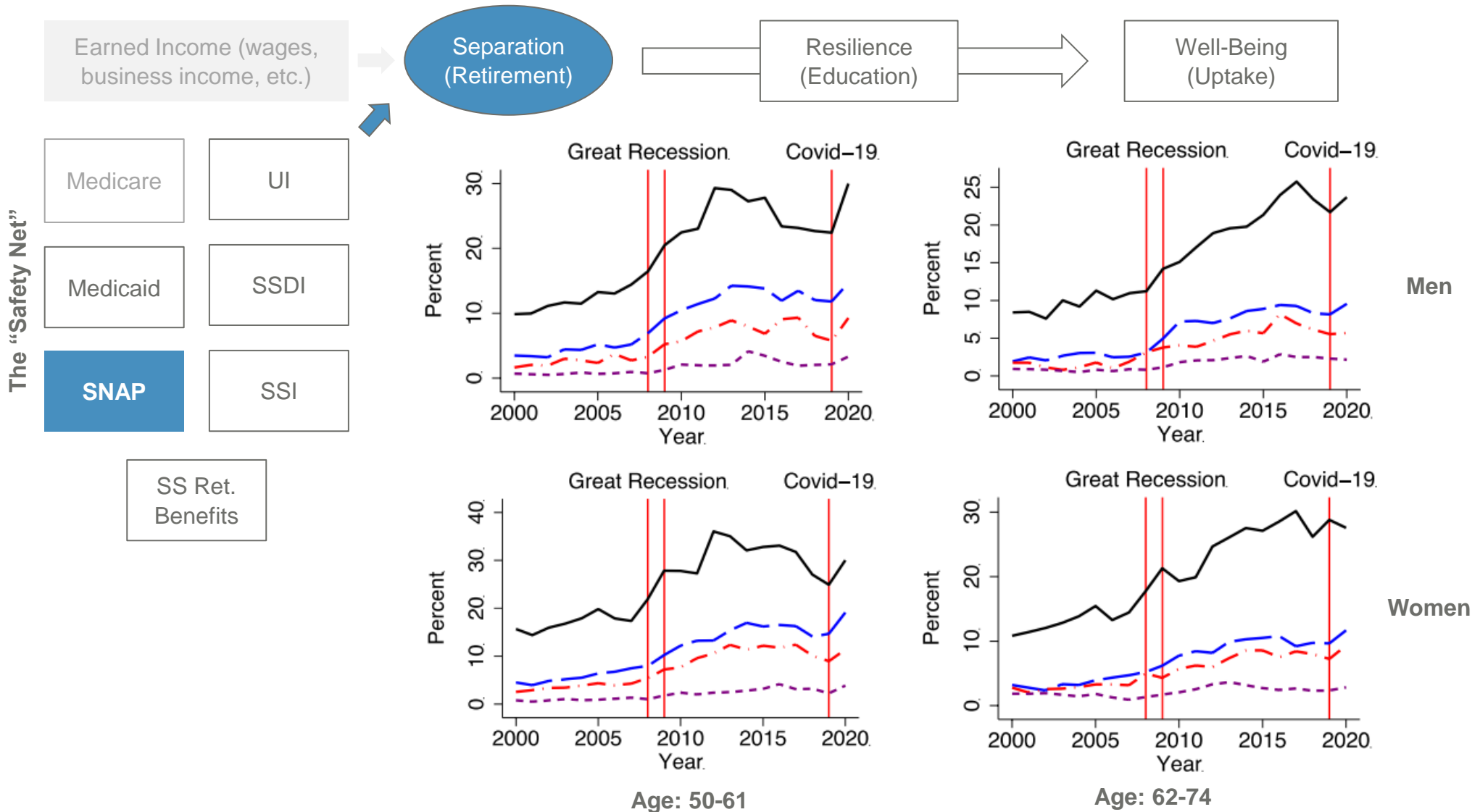
While much-studied, there is still much to learn from COVID in this “base case”



Note: This figure shows the change in spending year-over-year around the start of unemployment benefits. The x-axis shows the number of weeks since the first benefit payment. The treatment group, shown in orange, receives benefits beginning in April. The control group, shown in blue, is employed workers. See “Data and analytical approach” section for details on how the control group is constructed. The y-axis is normalized to one at six weeks prior to the first benefit payment.

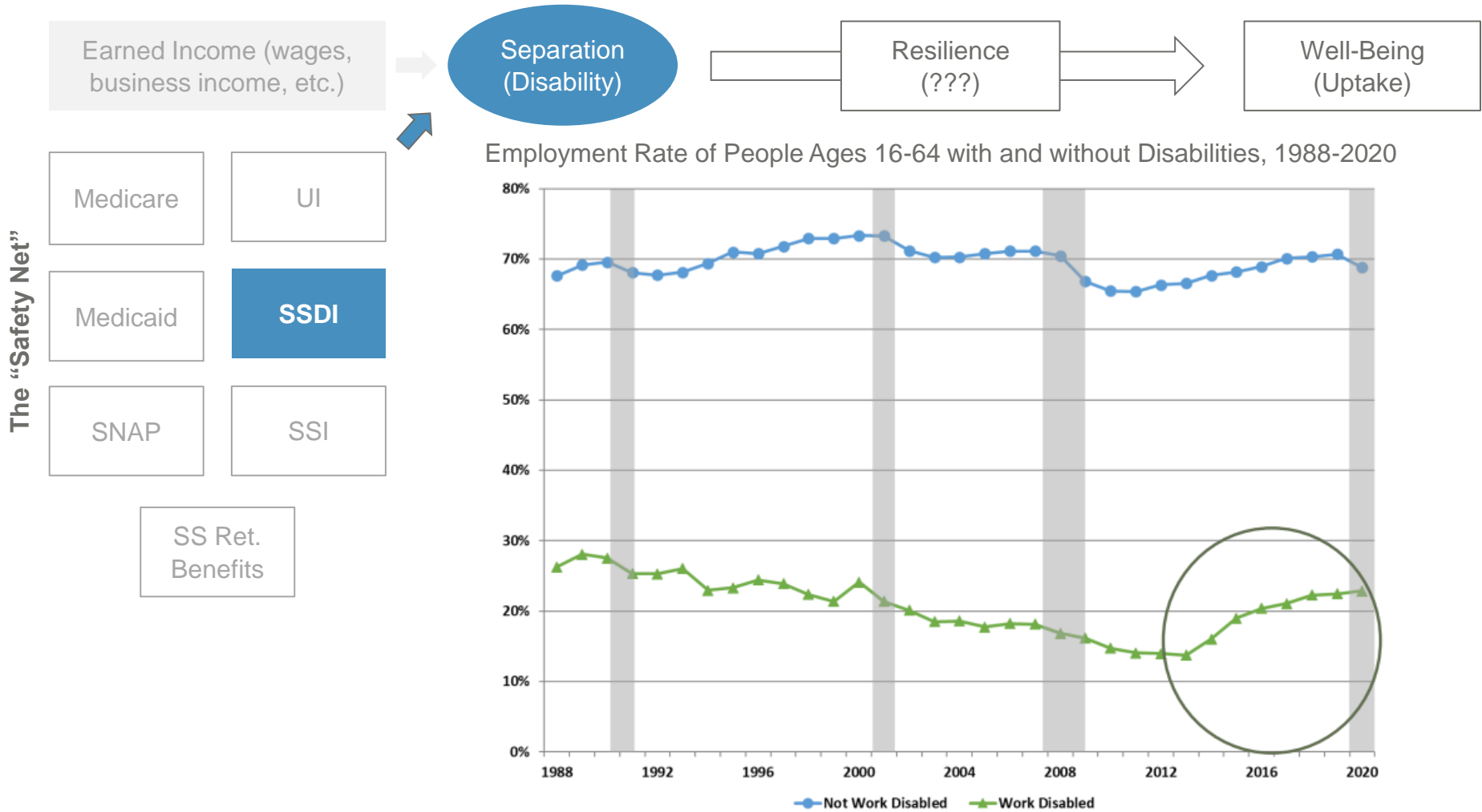
# Moffitt & Ziliak: How has the safety net respond across recessions to support the well-being of people near/past retirement age?

SNAP uptake appears curiously greater for “younger” men than women or “older” men



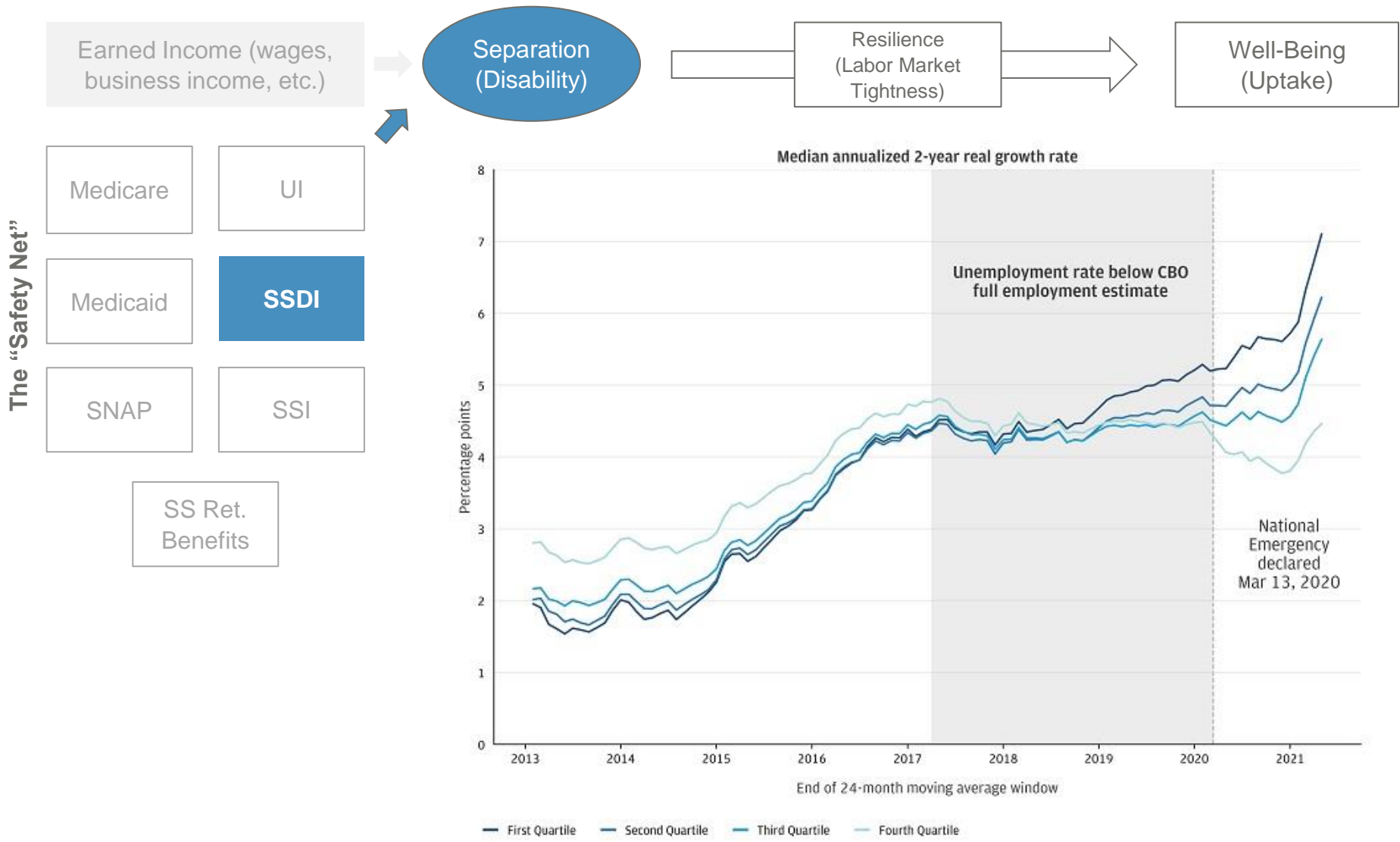
# Maestas & Mullen: How might the safety net respond in the current recession to support the well-being of people with disabilities?

Will COVID change the relationship between labor force attachment and Disability Insurance uptake?



Source: Current Population Survey: Annual Social and Economic Supplement (1988-2020), retrieved from IPUMS

# Very tight labor market seems to explain other changes in labor market inclusivity

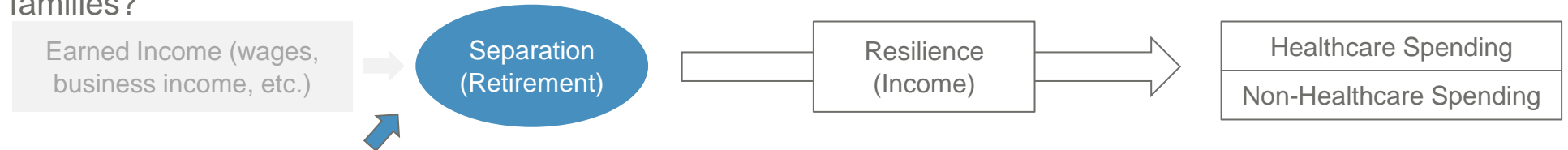


Note: First quartile is the lowest income group. Figure shows income growth over 2-year windows, based on checking account inflows after excluding transfers from other accounts (see Footnote 3 for more details). The plot uses a 3-month trailing average to smooth over month-to-month variation in inflows.

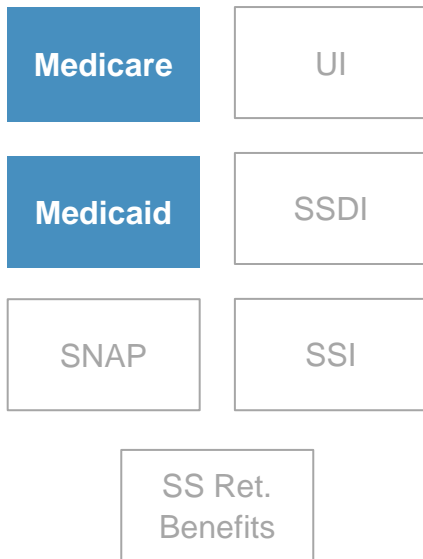
Source: JPMorgan Chase Institute

# Follette & Sheiner: Can the safety net continue to respond in the long run to support both the health care and the overall well-being of older people?

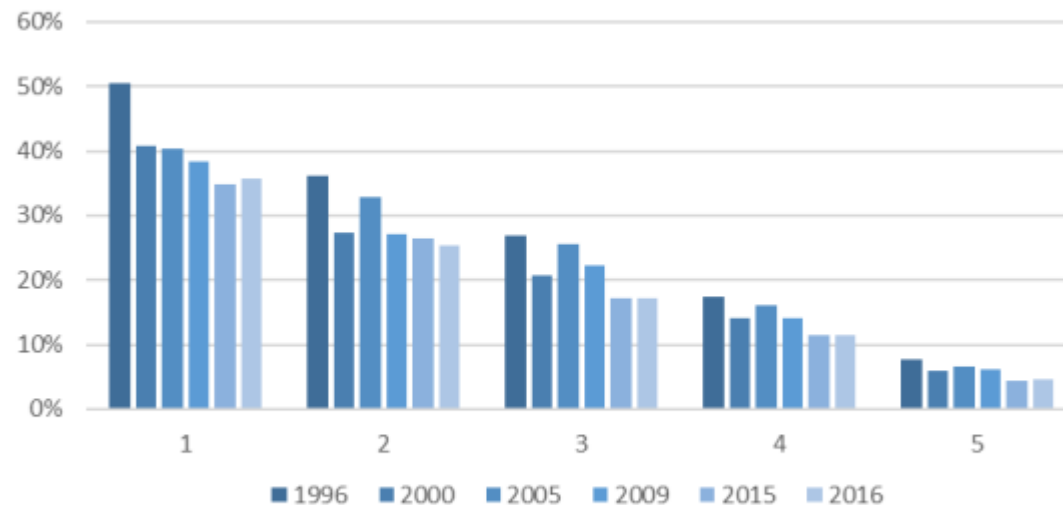
Will growing healthcare costs crowd-out substantial non-healthcare spending, especially in lower-income families?



The "Safety Net"



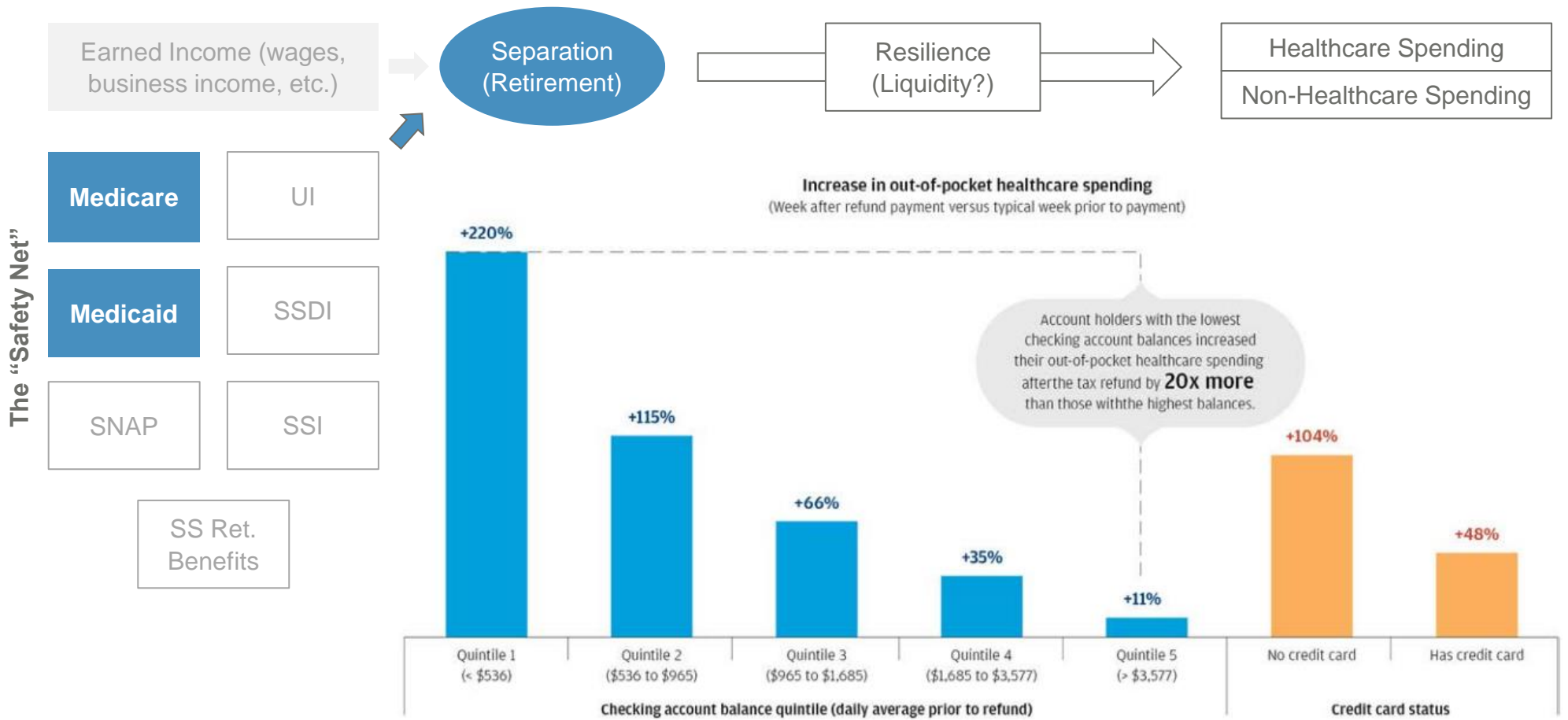
Private spending as share of income by income quintile



Note: Private spending includes premiums, co-pays and deductibles. Income is adjusted using the Health and Retirement Study.

Source: Medicare Current Beneficiary Survey, Health and Retirement Study, Authors' calculations.

# Could expansions to other safety net programs mitigate the impact of acute out-of-pocket healthcare spending on lower-income families?



Source: JPMorgan Chase Institute

## How does policy context shape the effectiveness of individual safety net programs?

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- How is uptake in a particular program (e.g. UI, SNAP, SSDI) affected by uptake in other programs?
- To what extent do macroeconomic conditions (inflation, labor market tightness) shape the mechanics of safety net use (e.g. exit from DI into employment)?