

“Are Successive Generations Getting Wealthier, and If So, Why? Evidence from the 1990s”
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This paper examines the wealth of successive birth cohorts in the United States using data from the 1989-2001 Surveys of Consumer Finances. We find that older households (those aged 55-64, 65-74 or 75-84) in 2001 had more wealth than households of similar age in 1989, but that the same was not true of younger households. We also find that changes in standard demographic characteristics (marital status, educational attainment, years in the labor force, and health status) can explain most of the divergent trends across age groups. Given the historically large capital gains that accrued during the 1990s, these results raise some intriguing questions about the nature of saving and wealth accumulation during that decade.

JEL classification codes: D31, E21