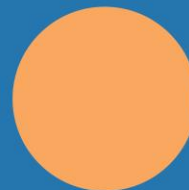


**A GLOBAL THINK TANK DEDICATED TO
DELIVERING DATA-RICH ANALYSES AND
EXPERT INSIGHTS FOR THE PUBLIC GOOD**

JPMORGAN CHASE & CO.

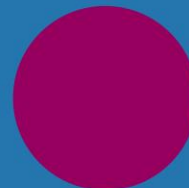
INSTITUTE



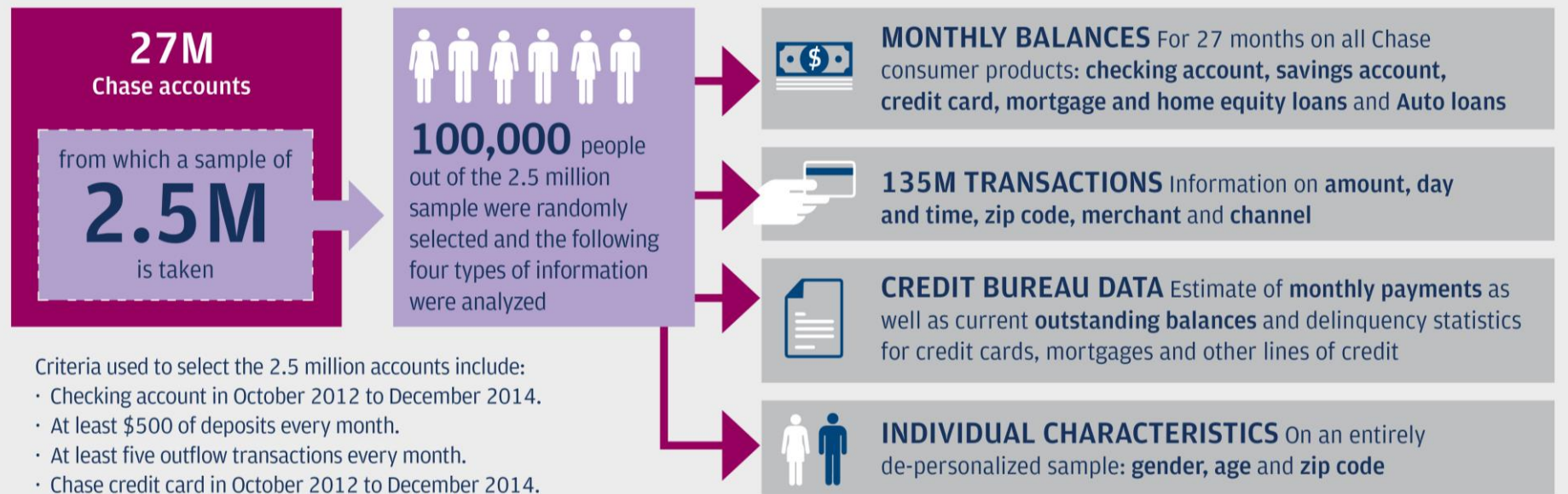
Weathering Volatility

Big Data on the Financial Ups
and Downs of U.S. Individuals

May 2015



The JPMorgan Chase Institute data asset for *Weathering Volatility*



Categories assigned to inflows and outflows

135 million transactions

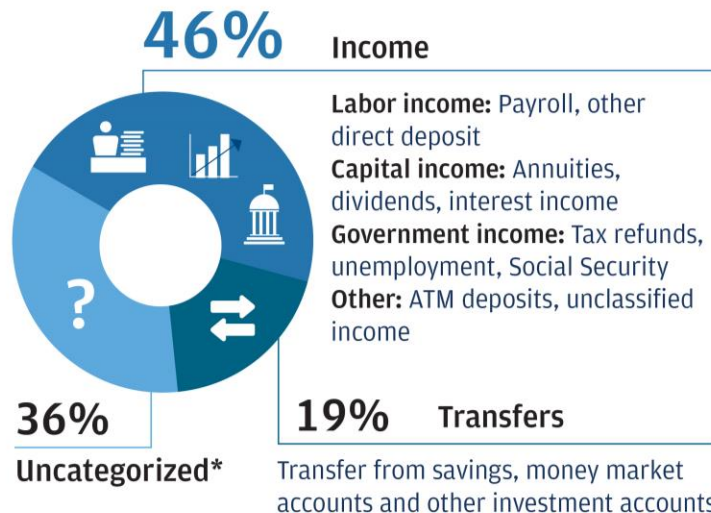
We used
three types of
information
to categorize
transactions

Merchant
category
codes

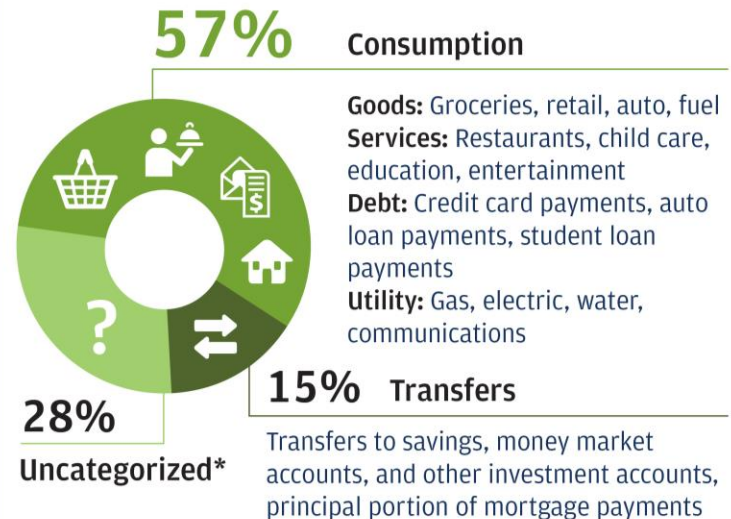
Transaction
description

Transaction
channel

Inflows



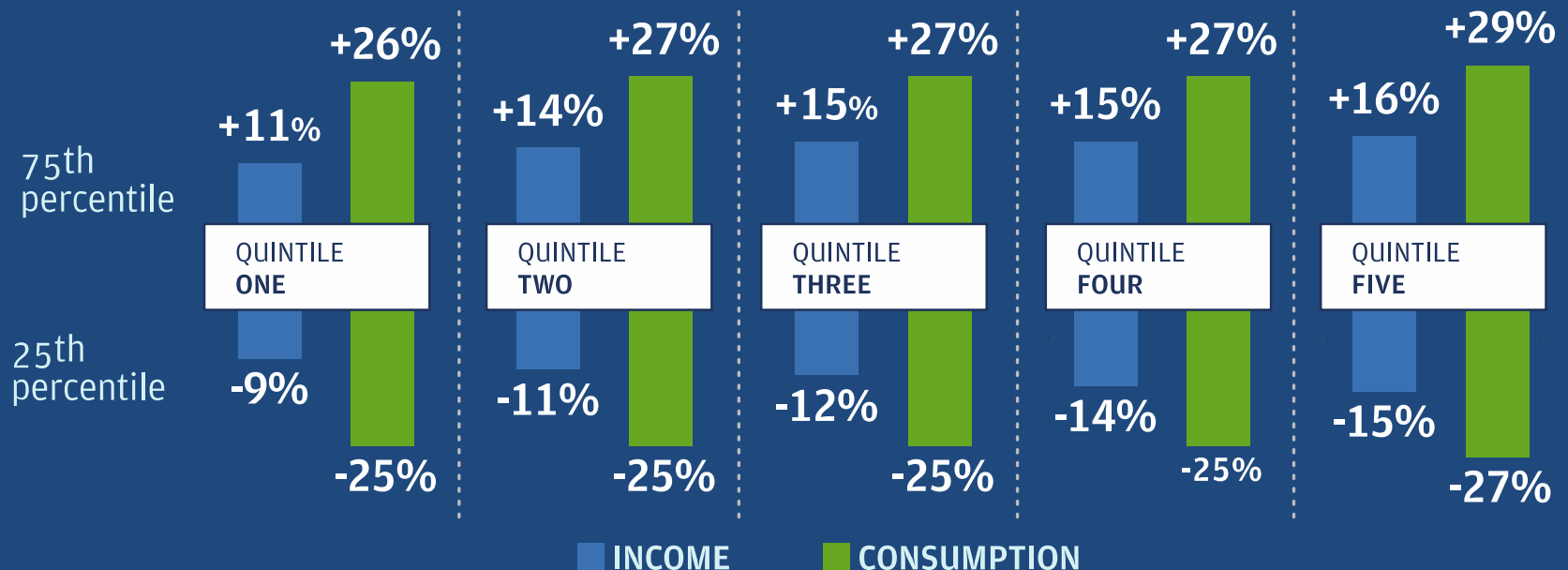
Outflow



* Certain types of transactions, such as check deposits or check withdrawals, were unknown and thus remained uncategorized.

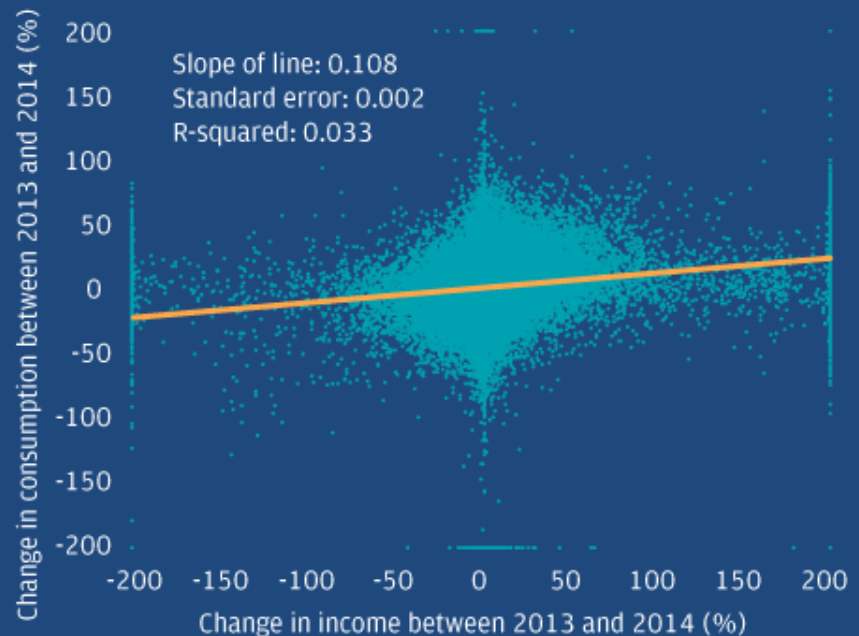
Individuals across the income spectrum experienced high levels of income volatility and even higher levels of consumption volatility

MONTH-TO-MONTH INCOME AND CONSUMPTION VOLATILITY BY INCOME QUINTILE. 25TH AND 75TH PERCENTILE MONTHLY CHANGES



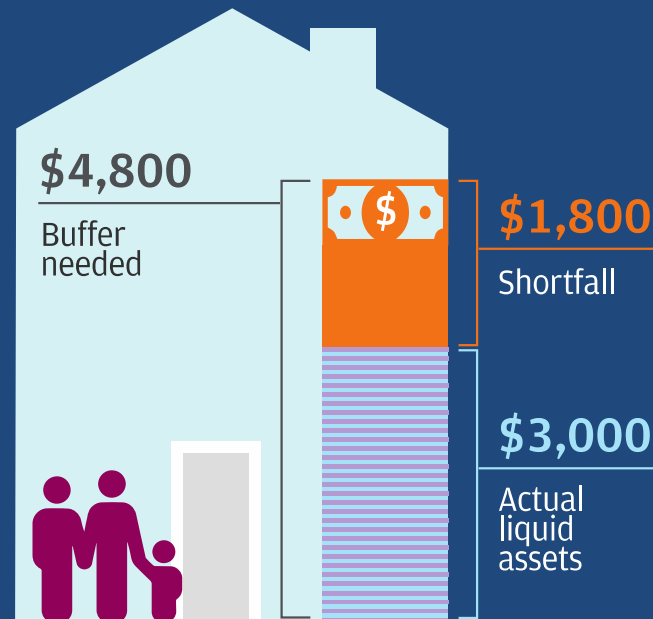
Income and consumption changes do not move in tandem. There was almost no correlation between the two.

SCATTER PLOT OF
INDIVIDUAL CHANGES IN
INCOME AND CONSUMPTION
BETWEEN 2013 AND 2014.



The typical US household does not have a sufficient financial cushion to weather adverse income and consumption volatility

LIQUID ASSETS NEEDED BY
THE TYPICAL AMERICAN
HOUSEHOLD TO
WEATHER VOLATILITY





How Falling Gas Prices Fuel the Consumer

Evidence from 25 Million People

October 2015

JPMORGAN CHASE & CO.
INSTITUTE

Data asset for assessing impact of falling gas prices

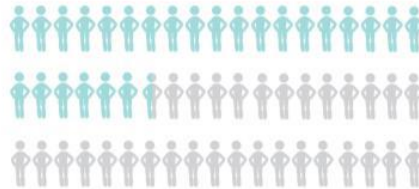
57 Million

DEBIT OR CREDIT CARD
ACCOUNT HOLDERS



25.6 Million

REGULAR USERS OF A CHASE
CREDIT OR DEBIT CARD



5+  Average of 5+ monthly transactions

1 Million

DEBIT CARD HOLDERS WHO ARE
CONSIDERED CORE CHASE CUSTOMERS



5+



5+ monthly transactions
from checking account

NO

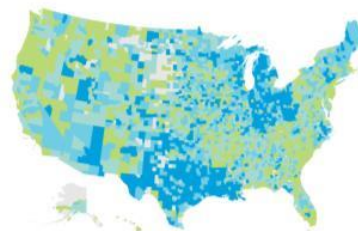


They do not hold a gas
station specific card



Live in a zip code with
140+ other individuals
in our sample.

Used for Geographic Analysis



**376 Million Credit and
Debit Transactions**



GAS SPENDING

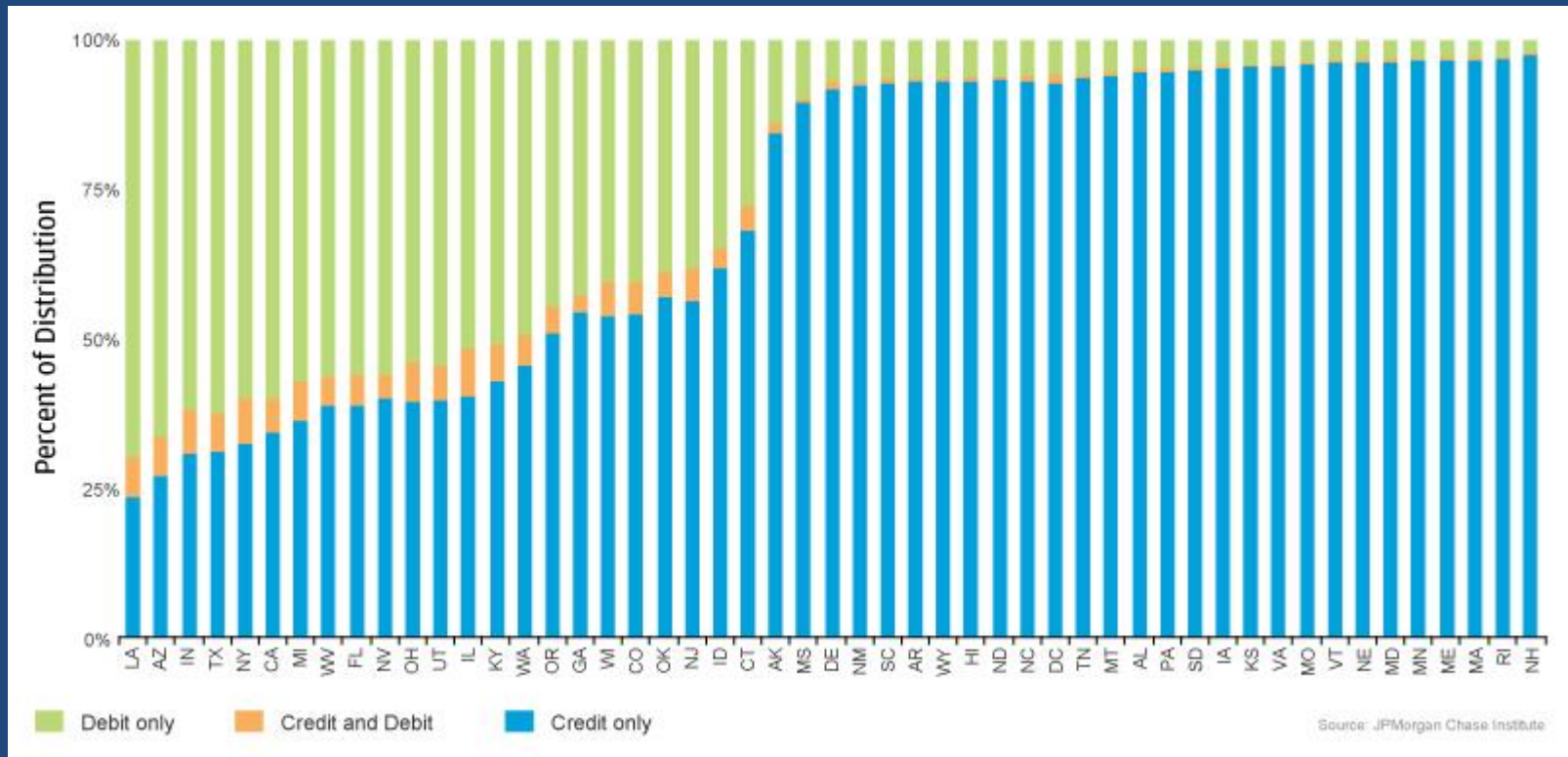
Spending at gas stations

NON-GAS SPENDING

Spending that does not
occur at gas stations

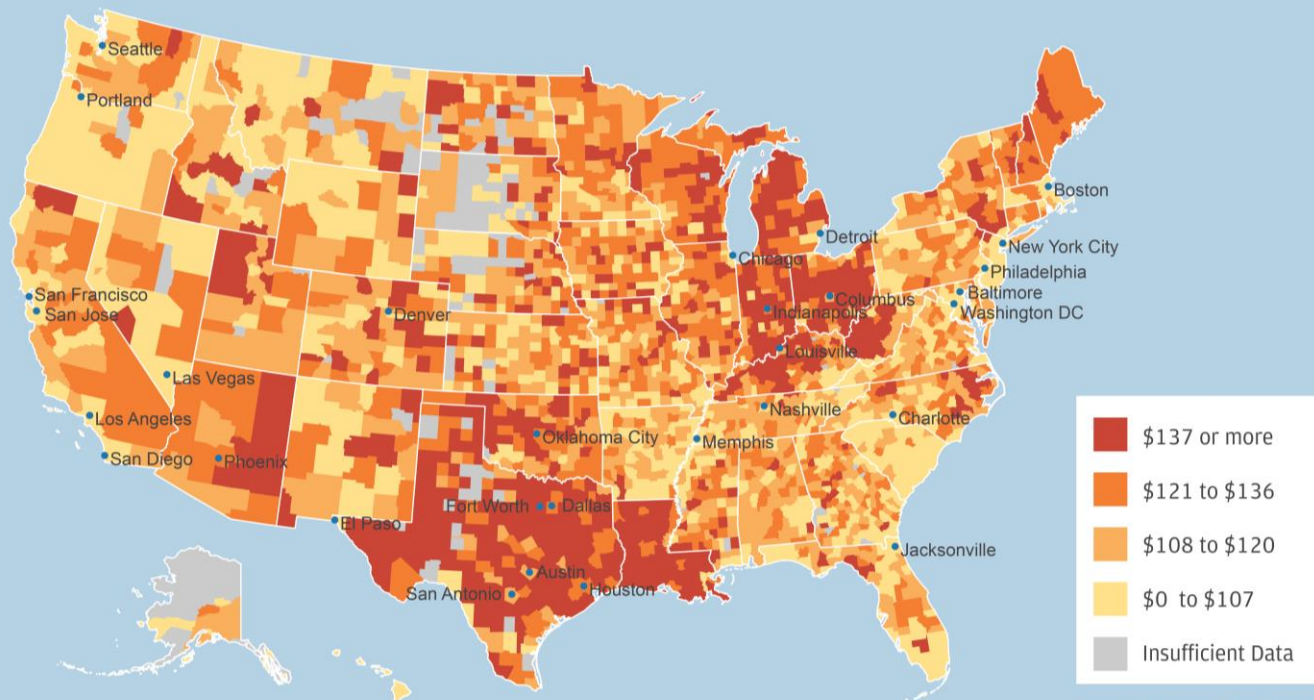
The distribution of credit versus debit cardholders varies significantly by state

DISTRIBUTION OF CREDIT AND DEBIT CARDHOLDERS IN 25.6 MILLION SAMPLE, BY STATE



The Midwest and South were more impacted by gas price declines than the East and West

AVERAGE GAS SPEND BY COUNTY IN THE HIGH PRICE PERIOD (DEC 2013 – FEB 2014)



Top 5 Counties*

Allen, Louisiana
Armstrong, Texas
Cameron, Louisiana
Greenlee, Arizona
La Salle, Texas

Bottom 5 Counties*

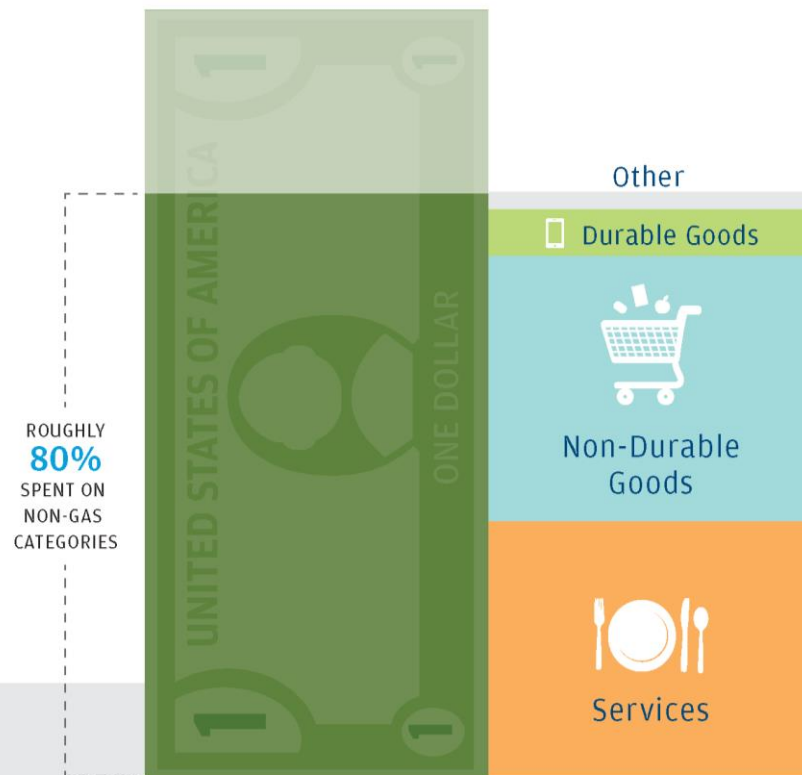
Bronx, New York
District of Columbia
Hudson, New Jersey
Kings, New York
New York, New York

* Counties within each list are displayed in alphabetical order

Source: JPMorgan Chase Institute

For every dollar saved at the gas pump, individuals spend roughly 80 cents on other things

MARGINAL PROPENSITY TO CONSUME \$1 LESS SPENT ON GAS



When gas prices dropped high-gas spenders changed their consumer spending more than low-gas spenders

LEVELS OF SPENDING FOR LOW-GAS SPENDERS AND HIGH-GAS SPENDERS



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