The promise of administrative data for studying social mobility: Examples from the JPMorgan Chase Institute

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The **JPMorgan Chase Institute** is a global think tank dedicated to delivering data-rich analyses and expert insights for the public good

INSTITUTE DATA

THE JPMORGAN CHASE INSTITUTE LEVERAGES DE-IDENTIFIED DATA FROM:

- $2.5 TRILLION BALANCE SHEET
- 2.5 MILLION SMALL BUSINESSES
- 70+ MILLION RETAIL CUSTOMERS
- 44 THOUSAND INSTITUTIONAL INVESTORS

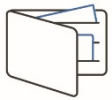
ACCOUNT TYPES
Deposit and investment: Checking, savings, money market, retail brokerage
Credit: credit card, mortgages, home equity loans, auto loans

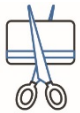
ACOUNT LEVEL INFORMATION
Accounts held, activity frequency, and monthly balances

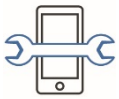
INDIVIDUAL TRANSACTIONS
Information on amount, day and time, zip code, channel, transaction descriptions, counterparty characteristics

DEMOGRAPHIC CHARACTERISTICS
Gender, age, geography, race/ethnicity

INSTITUTE RESEARCH THEMES


HOUSEHOLD INCOME & SPENDING


HOUSEHOLD DEBT


LABOR MARKETS


HEALTHCARE


CITIES & LOCAL COMMUNITIES


SMALL BUSINESS


FINANCIAL MARKETS

Using administrative data to study social mobility: Three examples

Examples

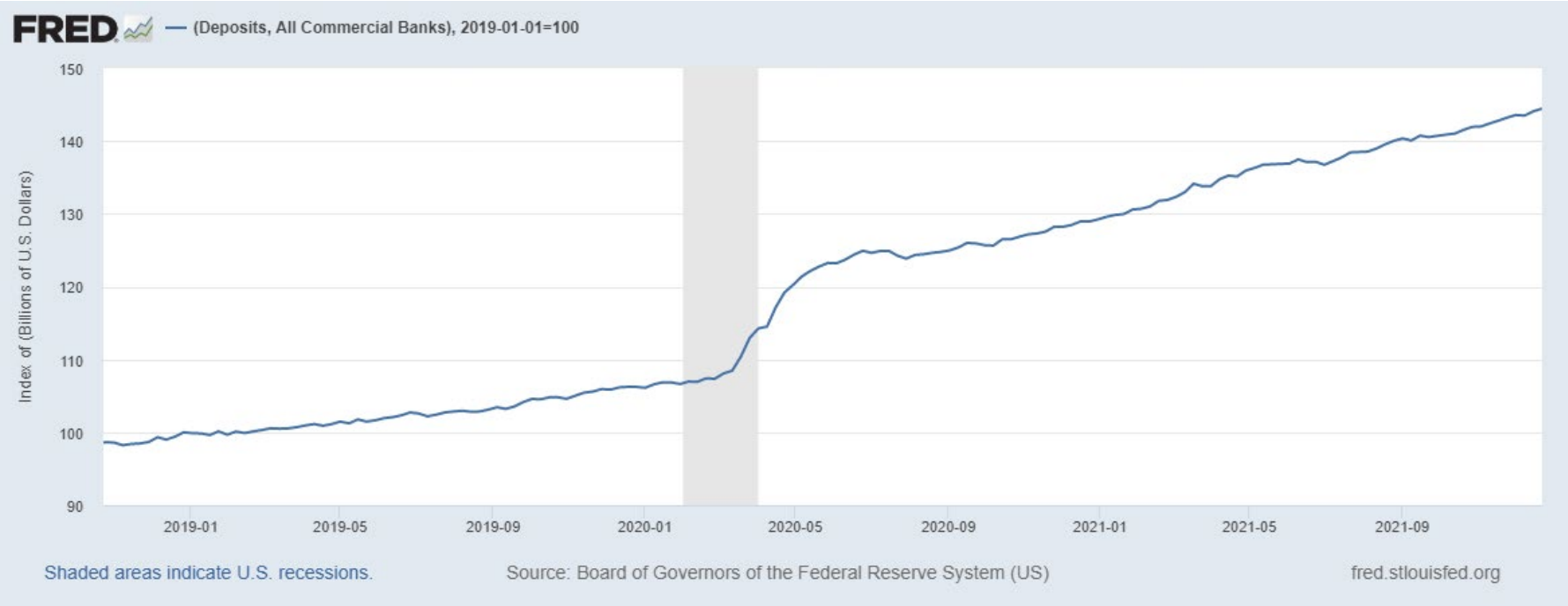
1. Evolution of **household cash balances** during COVID
2. **Income growth** through business cycles
3. Understanding the sources and consequences of **racial wealth gaps**

Key advantages of admin data

- ✓ **Large samples** offer insight into distributional, geographic, and other subgroup variation
- ✓ **High-frequency, longitudinal** data on a range of outcomes
- ✓ **Adaptable** to changing economic and policy environment

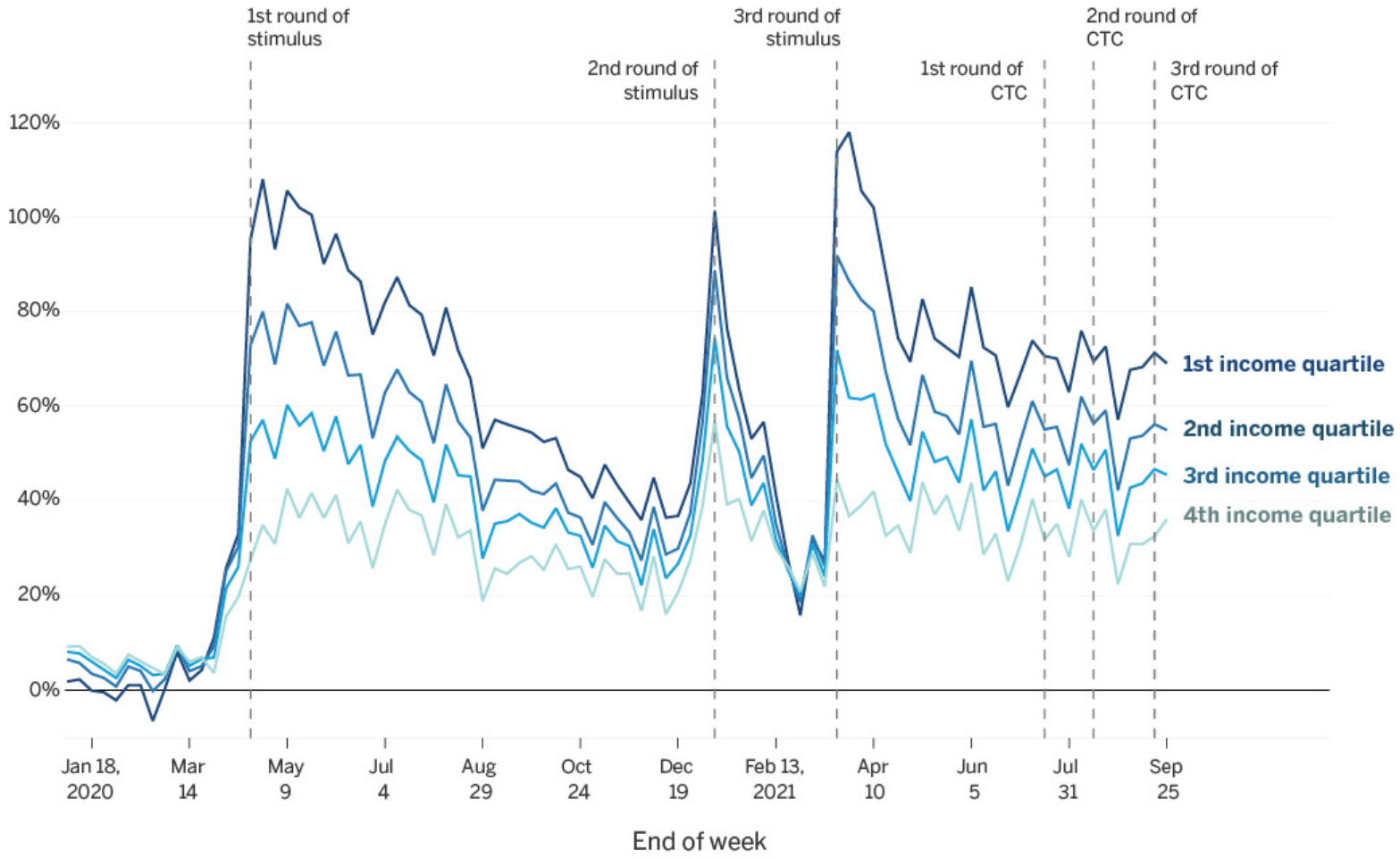
Example 1: Evolution of **household cash balances** during COVID

National aggregate data show deposits and are up in aggregate during COVID



Median cash balances through September 2021 remain elevated, especially for lower-income families.

Percent change (relative to 2019) in median weekly checking account balances, by income quartile

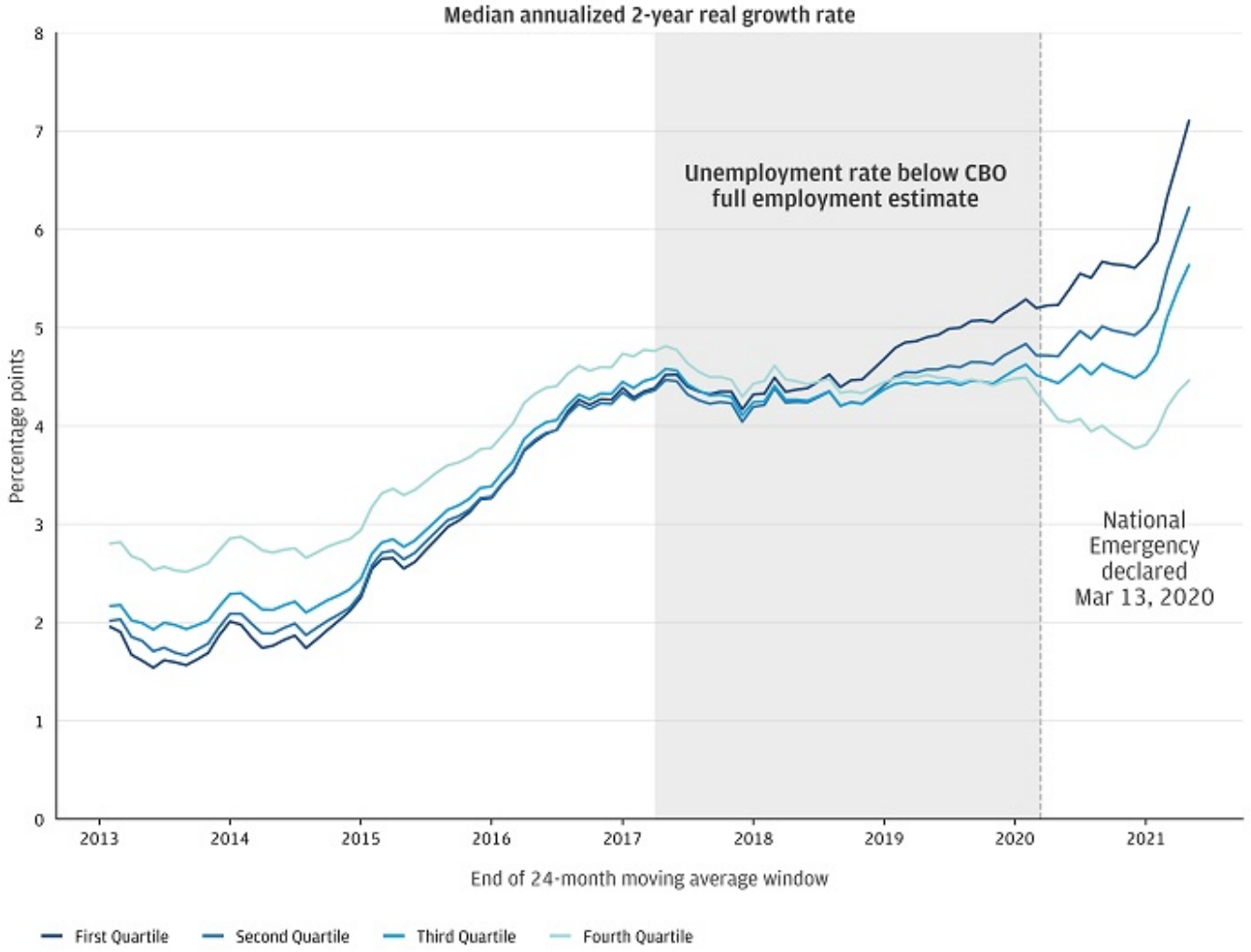


Note: We assign households into income quartiles based on their total labor income in 2019. Households in income quartile 1 earned between $12,000 and $30,296 in labor income; quartile 2 households earned between $30,296 and $44,955; quartile 3 households earned between $44,955 and $68,896; and quartile 4 households earned more than $68,896.

Source: JPMorgan Chase Institute

Example 2: **Income growth** through business cycles

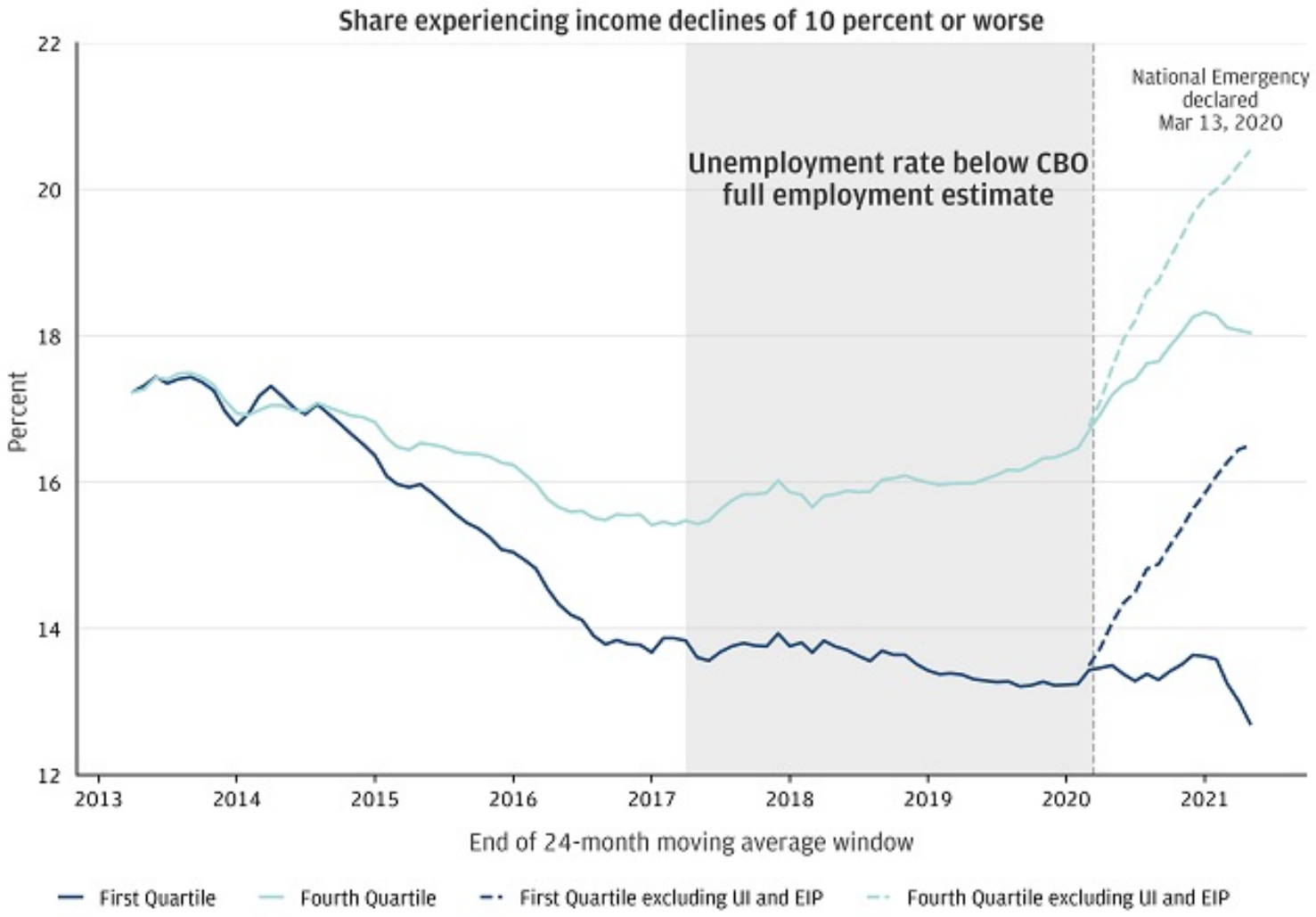
Lower-income households saw the largest boost in income growth as the labor market tightened prior to COVID. Policies undertaken during COVID-19 accelerated the trend.



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

The number of households experiencing substantial downward income changes fell most for low-income households during the expansion.

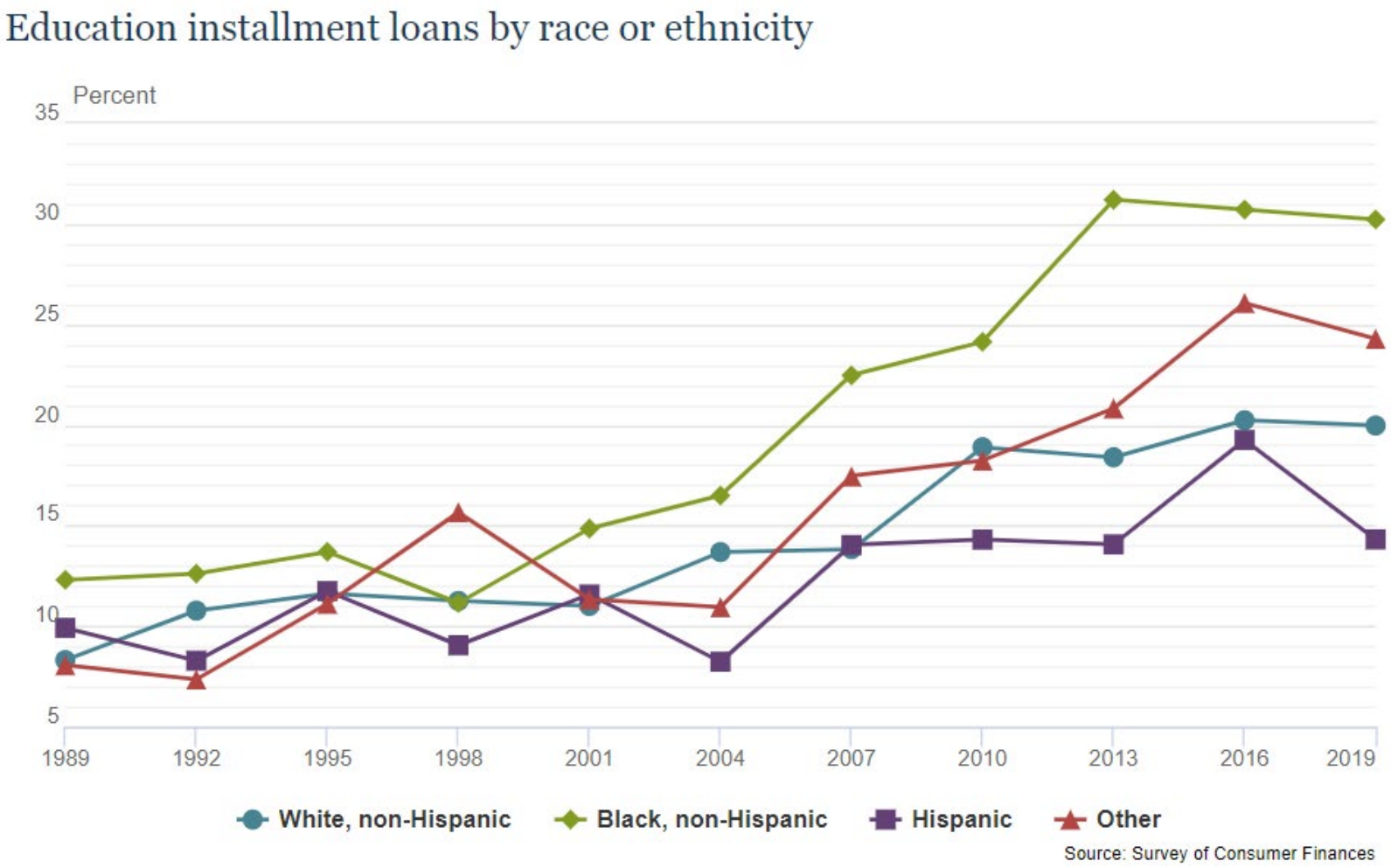


Note: First quartile is lowest income group. Shading denotes full employment period from April 2017 to February 2020.
The income growth measure is a 2-year real annualized growth rate, as in Figures 1 and 2.

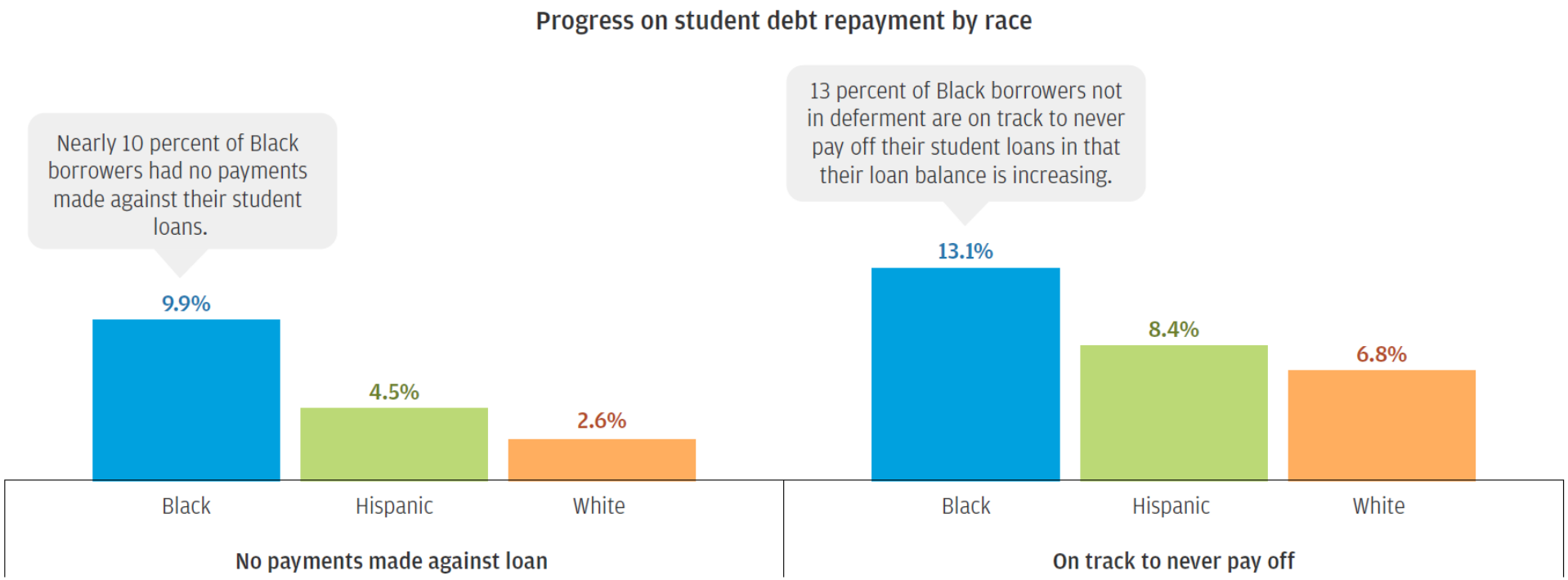
Source: JPMorgan Chase Institute

Example 3: Understanding the sources and consequences of **racial wealth gaps**

There has been a rapid rise in student loan debt, especially among Black families



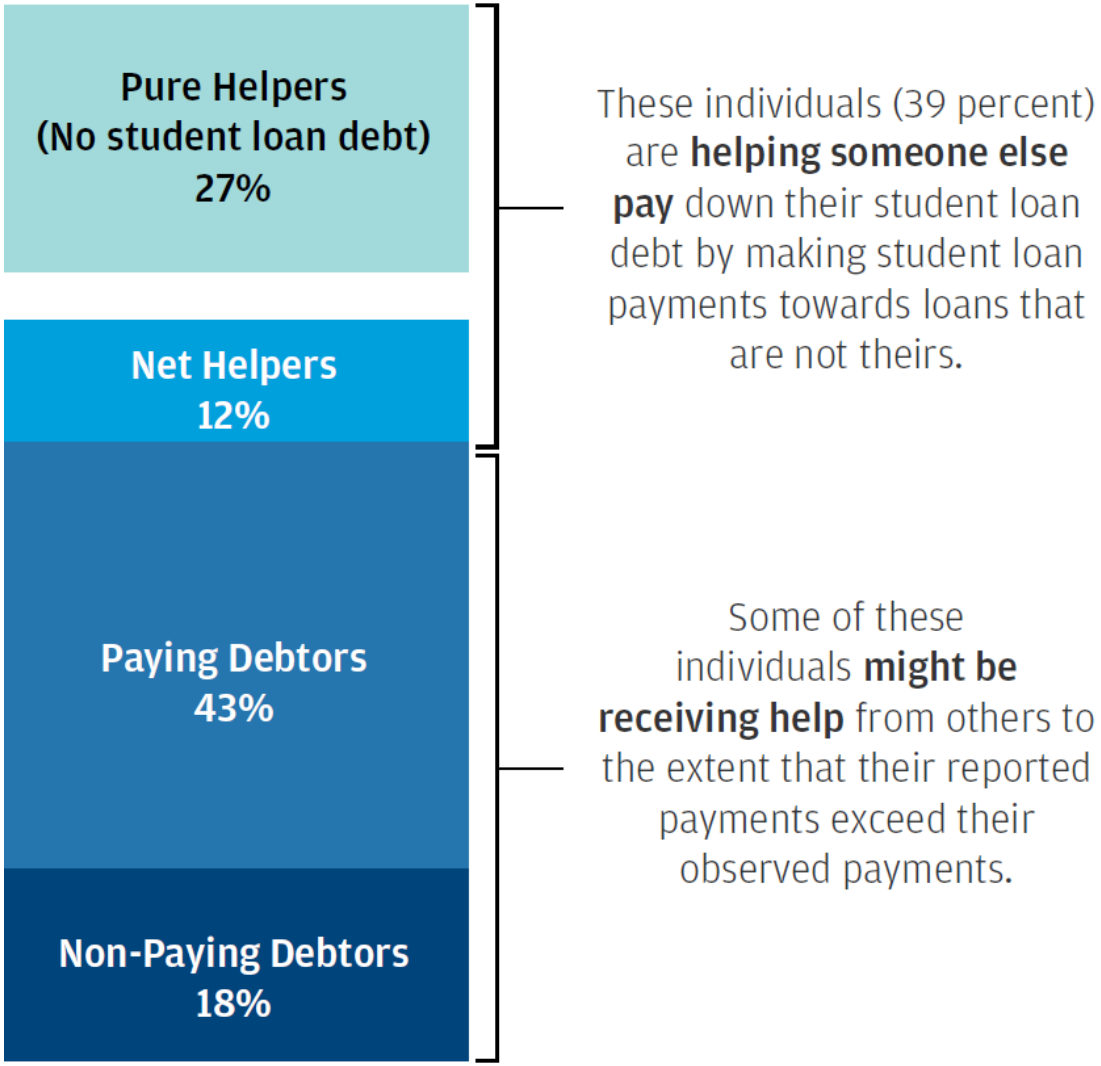
Compared to White and Hispanic student loan borrowers, Black borrowers are less likely to be making progress on their student loans.



Note: The sample is restricted to borrowers who do not have a student loan in deferral or forbearance during the twelve-month window December 2015 through November 2016. Borrowers projected to never pay off debt have increasing balances over the twelve-month sample period; that is, interest charges over the course of the year are larger than total payments made. Income refers to take-home income.

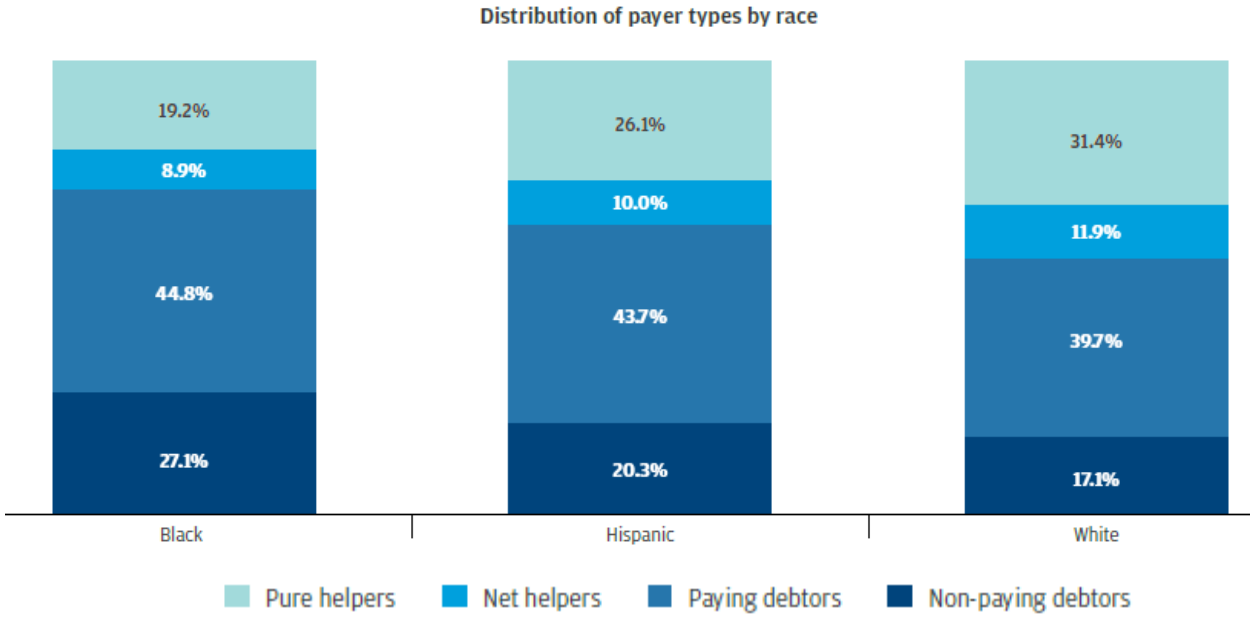
Source: JPMorgan Chase Institute

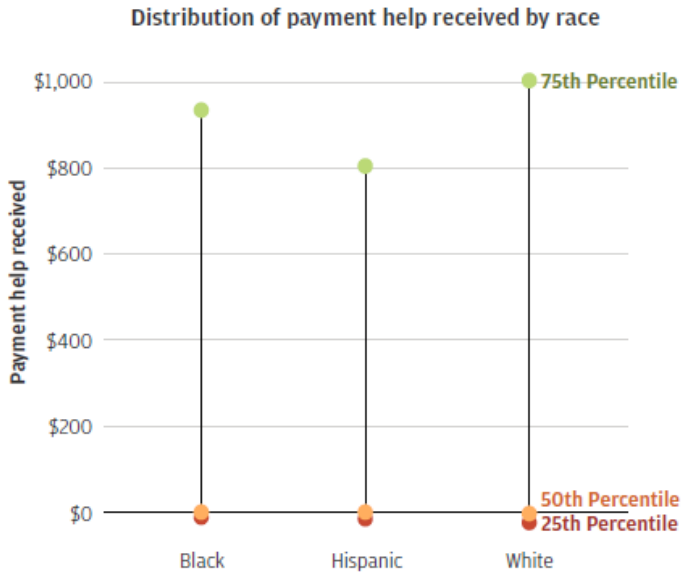
Almost 40 percent of individuals involved in student loan repayment are helping someone else pay off their student loan debt. Most helpers hold no student loan debt themselves.



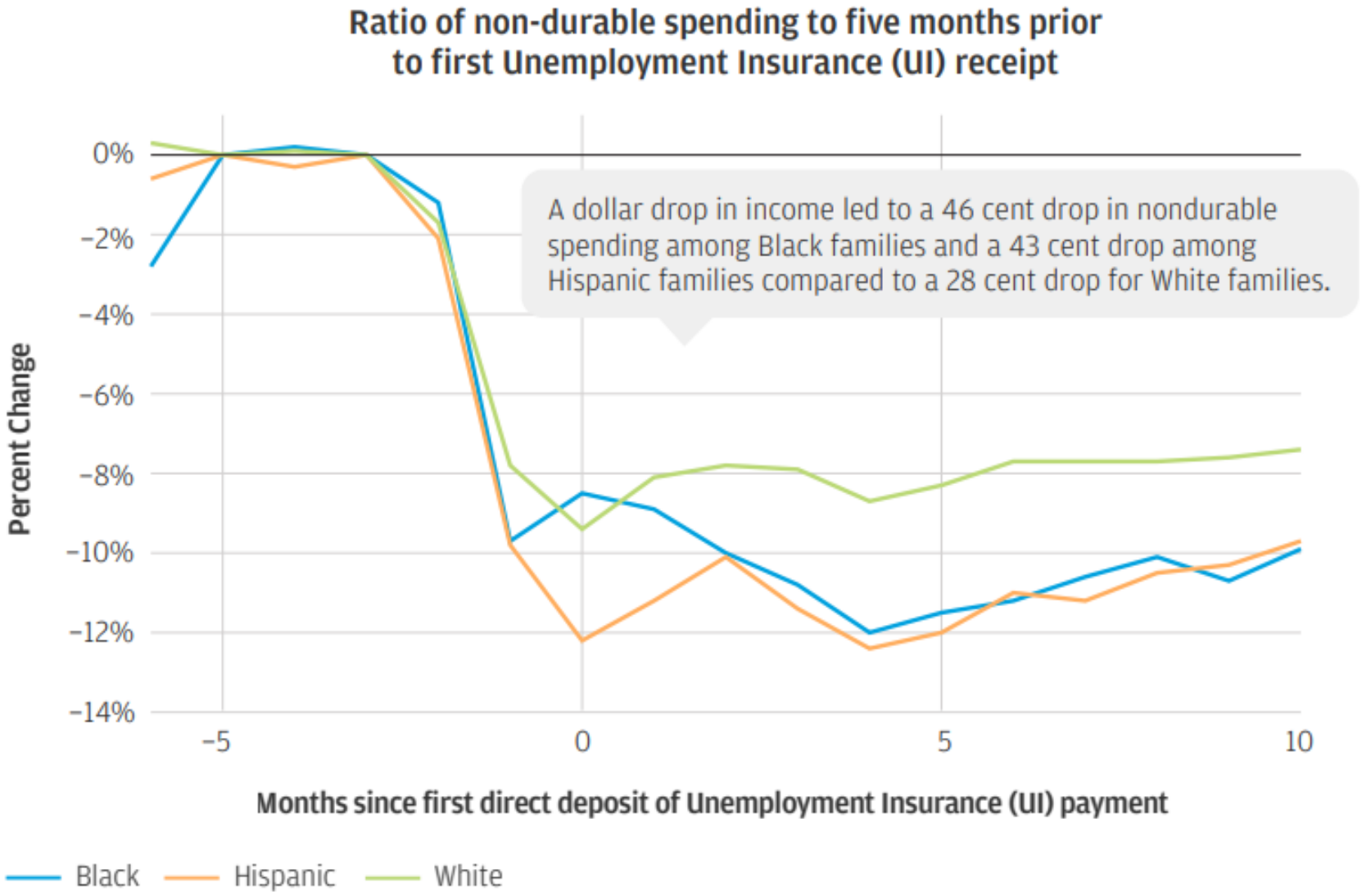
Source: JPMorgan Chase Institute

Black and Hispanic individuals are less likely than White individuals to give and receive help in paying down student loan debt.

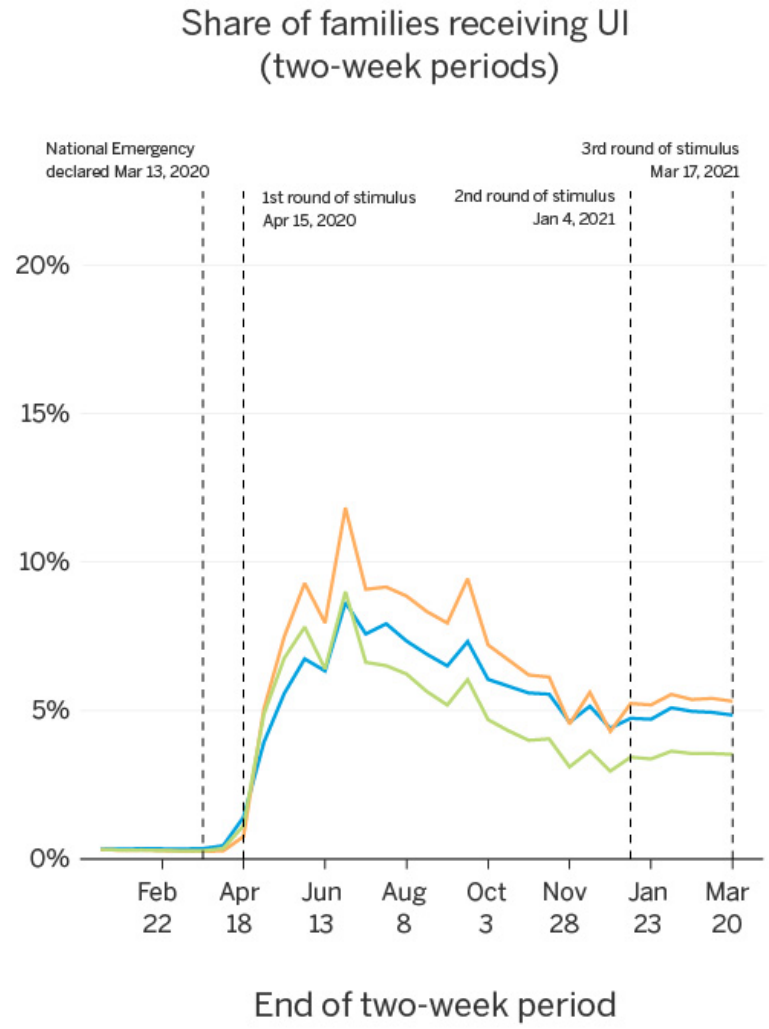


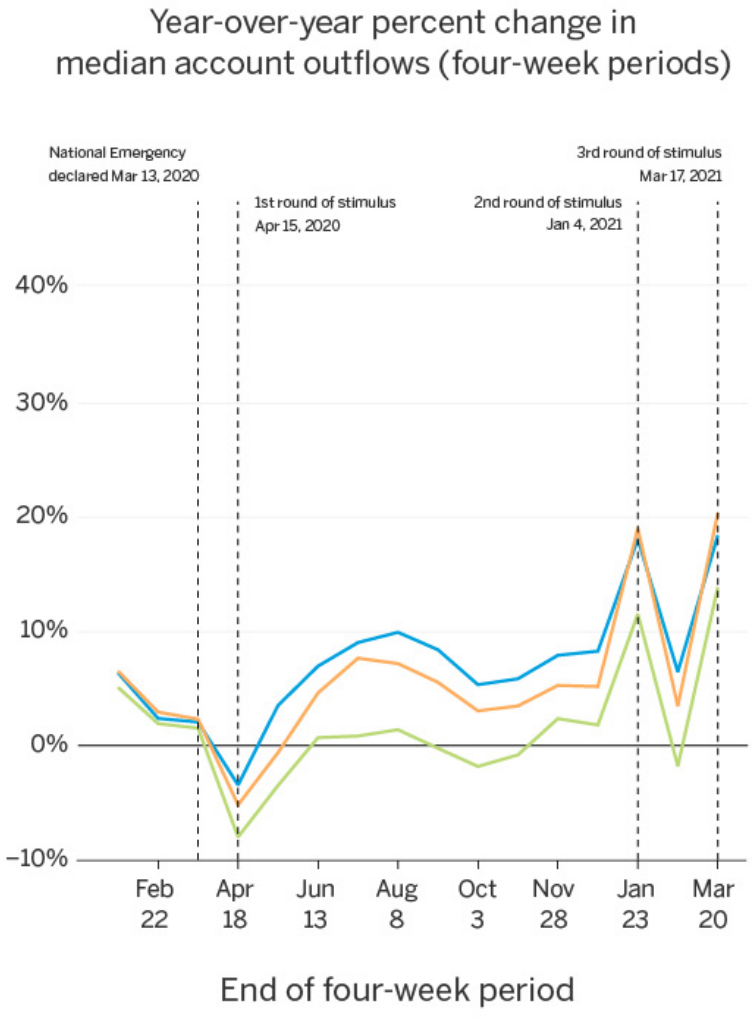


After job loss, Black and Hispanic families cut their spending more than White families, differences that are explained by racial gaps in liquid and financial asset buffers.



UI policy expansions were highly progressive in that they offset income losses and delivered the most benefit to lower-income workers and families.





Black Latinx White

The advantages and disadvantages of administrative data underscore their value as a complement to government surveys

Administrative Data

- ✓ **Large samples** offer insight into distributional and subgroup variation
- ✓ **High-frequency, longitudinal nature**
- ✓ **Adaptable** to changing policy and economic environment
- ✓ Observe **revealed preferences based on actual transactions**

- ✗ **Samples** require benchmarking to assess representativeness
- ✗ Data are a **byproduct of operations** that
  - can change over time
  - require design choices to map to real world concepts or units

Government Data

- ✗ **Small samples,** challenged by low response rates
- ✗ **Snapshots at a low frequency**
- ✗ **Difficult to change** survey instruments "on the fly"
- ✗ **Survey responses** subject to respondent interpretation and recall bias

- ✓ **Representative samples**

- ✓ **Survey design** can ensure comparability
  - between observations over time
  - to measures in other datasets