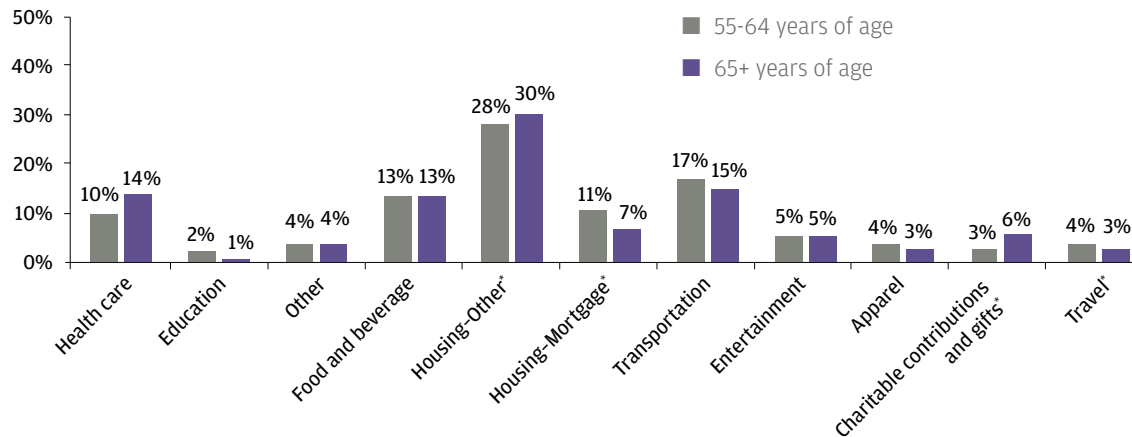


Spending and inflation



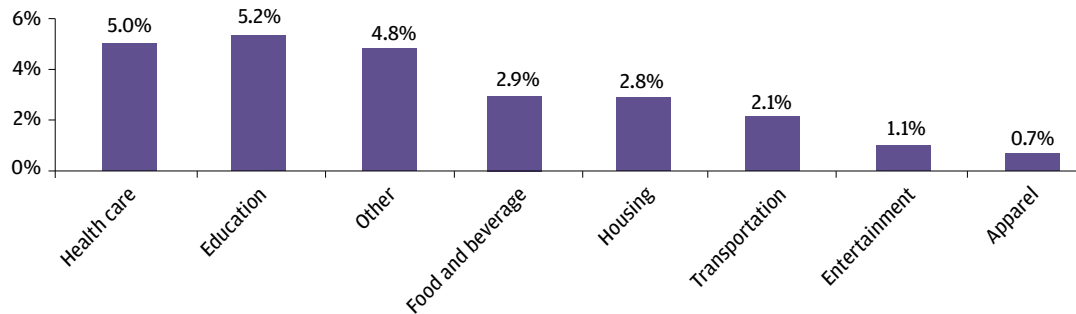
Spending by age and category



LOSING GROUND

Inflation disproportionately affects older Americans due to differences in spending habits and price increases in those categories.

Average inflation by spending category 1982-2015



*There are no individual inflation measures for these specific subcategories.

Source (top chart): BLS, 2014 Consumer Expenditure Survey. Charitable contributions include gifts to religious, educational and political organizations, and other cash gifts. Spending percentages may not equal 100% due to rounding.

Source (bottom chart): BLS, Consumer Price Index, J.P. Morgan Asset Management. Data represent annual percentage increase from December 1981 through December 2015 with the exception of entertainment and education, which date back to 1993. The inflation rate for the Other category is derived from personal care products and tobacco. Tobacco has experienced more than 7% inflation since 1986 but each age group only spends 0.5% - 0.8% on tobacco (27%-37% of combined personal care products and tobacco), which is a lower proportion than represented in the Other inflation rate.

