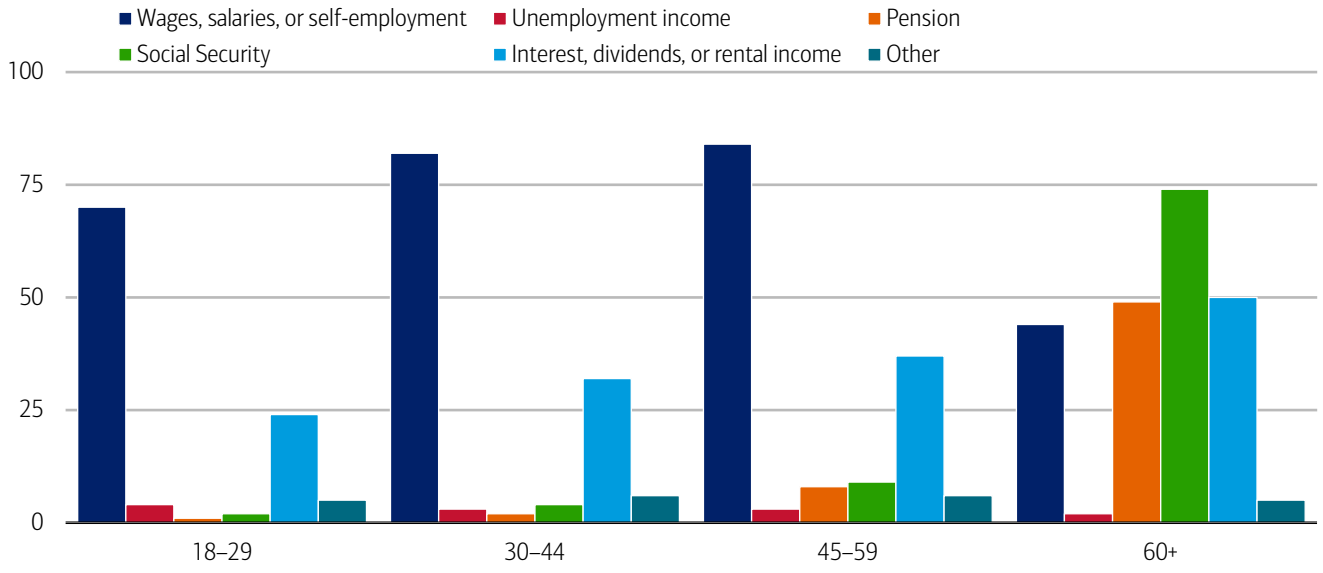
Daily Insights

Income diversity increases as households age

27 October 2026

As households age, their sources of income become more diverse
Sources of income by age (%)



Source: Federal Reserve Board of Governors (2025 Survey of Household Economics and Decisionmaking)

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Recently, older generations (Baby Boomers and Traditionalists) have seen their spending growth lag that of other generations in Bank of America card data. Why? One reason, in our view, is that spending growth has become more of a labor market story this year, with after-tax wage growth picking up. As households get older, their income sources become more diverse, making them less exposed to an improving labor market and more dependent on fixed income sources. The good news, however, is that those older households who rely on Social Security are seeing the largest cost-of-living (COLA) increase in four years. This should help provide some support to their spending.

For more, read: COLA comfort for older consumers?

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Disclosures

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