Online Appendix for
“The Aging of the Baby Boomers:
Demographics and Propagation of Tax
Shocks”

Domenico Ferraro and Giuseppe Fiori*

April 17, 2019

*Ferraro: Department of Economics, W.P. Carey School of Business, Arizona State University, PO Box 879801, Tempe, AZ 85287-9801 (email: domenico.ferraro@asu.edu); Fiori: Department of Economics, Poole College of Management, North Carolina State University, Box 8110, Raleigh, NC 27695-8110 (email: g Fiori@ncsu.edu).
OA.1 Population Aging

Here we provide additional facts on the changing aging composition of the U.S. labor force, employment, and unemployment.

Figure OA.1: Trends in the Age Composition of U.S. Labor Force, 1950-2015

Notes: Panel A shows the average age of the U.S. labor force (employed plus unemployed workers of 20-64 years old). The average age of the labor force is calculated as $\bar{a}_{LF} = \sum_{a \in A} \left( \frac{a + a_{2}}{2} \right) \phi_{a}^{LF}$, where $a$ and $a_{2}$ are respectively lower and upper bounds of the age group $a \in A$, with $A = \{20-24, 25-34, 35-44, 45-54, 55-64\}$, and $\phi_{a}^{LF}$ is the age-specific labor force share (the ratio of the labor force in the age group $a$ to total labor force). Panel B shows the labor force shares by three age groups: (i) full line with circles (left axis) shows $\phi_{20-24}^{LF} + \phi_{25-34}^{LF}$; (ii) dashed line with squares (left axis) shows $\phi_{35-44}^{LF} + \phi_{45-54}^{LF}$; and (iii) dashed-dotted line with diamonds (right axis) shows $\phi_{55-64}^{LF}$. 
Figure OA.2: Trends in the Age Composition of U.S. Employment, 1950-2015

Notes: Panel A shows the average age of the U.S. employment pool (20-64 years old). The average age of employment is calculated as $\bar{a}^E \equiv \sum_{a \in A} \left( \frac{a + \pi}{2} \right) \phi^E_a$, where $a$ and $\pi$ are respectively lower and upper bounds of the age group $a \in A$, with $A = \{20-24, 25-34, 35-44, 45-54, 55-64\}$, and $\phi^E_a$ is the age-specific employment share (the ratio of employed in the age group $a$ to total employment). Panel B shows employment shares by three age groups: (i) full line with circles (left axis) shows $\phi_{20-24}^E + \phi_{25-34}^E$; (ii) dashed line with squares (left axis) shows $\phi_{35-44}^E + \phi_{45-54}^E$; and (iii) dashed-dotted line with diamonds (right axis) shows $\phi_{55-64}^E$. 

---
Figure OA.3: Trends in the Age Composition of U.S. Unemployment, 1950-2015

Notes: Panel A shows the average age of the U.S. unemployment pool (20-64 years old). The average age of unemployment is calculated as $\bar{a}^U \equiv \sum_{a \in A} \left( \frac{a + \bar{a}}{2} \right) \phi^U_a$, where $a$ and $\bar{a}$ are respectively lower and upper bounds of the age group $a \in A$, with $A = \{20-24, 25-34, 35-44, 45-54, 55-64\}$, and $\phi^U_a$ is the age-specific unemployment share (the ratio of unemployed in the age group $a$ to total unemployment). Panel B shows unemployment shares by three age groups: (i) full line with circles (left axis) shows $\phi^U_{20-24} + \phi^U_{25-34}$; (ii) dashed line with squares (left axis) shows $\phi^U_{35-44} + \phi^U_{45-54}$; and (iii) dashed-dotted line with diamonds (right axis) shows $\phi^U_{55-64}$. 
OA.2 Additional Results

Here we provide additional results based on SVARs.

Figure OA.4: Unemployment Rate Responses to an Aggregate Tax Cut by Age

Notes: The figure shows the response to a 1 percentage point cut in the aggregate AMTR. Full lines with circles are point estimates; dash-dotted lines are 68 percent confidence bands; dashed lines are 95 percent confidence bands. Both intervals are computed using the Delta-method suggested by Montiel-Olea et al. (2017) with a Newey and West (1987) HAC-robust residual covariance matrix.
Figure OA.5: Age Differences in Unemployment Rate Responses to Age-Specific Tax Cuts

Notes: The figure shows age differences in responses to a 1 percentage point cut in age-specific AMTRs. Proxy SVARs is estimated with age-specific AMTRs and age-specific proxies. Full lines with circles are point estimates; dash-dotted lines are 68 percent confidence bands; dashed lines are 95 percent confidence bands. Both intervals are computed using the Delta-method suggested by Montiel-Olea et al. (2017) with a Newey and West (1987) HAC-robust residual covariance matrix.
Figure OA.6: Age Differences in Unemployment Rate Responses to an Aggregate Tax Cut

Notes: The figure shows age differences in responses to a 1 percentage point cut in the aggregate AMTR. Full lines with circles are point estimates; dash-dotted lines are 68 percent confidence bands; dashed lines are 95 percent confidence bands. Both intervals are computed using the Delta-method suggested by Montiel-Olea et al. (2017) with a Newey and West (1987) HAC-robust residual covariance matrix.
Figure OA.7: Participation Rate Responses to an Aggregate Tax Cut by Age

Notes: The figure shows the response to a 1 percentage point cut in the aggregate AMTR. Full lines with circles are point estimates; dash-dotted lines are 68 percent confidence bands; dashed lines are 95 percent confidence bands. Both intervals are computed using the Delta-method suggested by Montiel-Olea et al. (2017) with a Newey and West (1987) HAC-robust residual covariance matrix.
References
