

# FACTS from EBRI

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## Family Savings: Results of the Survey of Consumer Finances

(The Survey of Consumer Finances [SCF], conducted by the Federal Reserve, is a triennial survey of the balance sheet, pension, income, and other demographic characteristics of U.S. families. The survey also gathers information on the use of financial institutions. The 2001 SCF was fielded from May through December 2001. For more information, see [www.federalreserve.gov/pubs/oss/oss2/scfindex.html](http://www.federalreserve.gov/pubs/oss/oss2/scfindex.html))

### Net Worth

- Families' net worth—the difference between their gross assets and their liabilities—rose strongly from 1998 to 2001. Median net worth rose 10.4 percent, from \$78,000 in 1998 to \$86,100 in 2001, and increased 40.5 percent, from \$61,300 to \$86,100, from 1992 to 2001.
- The average net worth of American families increased 28.7 percent (from \$307,400 to \$395,500) between 1998 and 2001, and increased 71.6 percent (from \$230,500 to \$395,500), from 1992 to 2001.

### Reasons for Saving

- Respondents were asked to give the most important reason for their families' saving. In 1992, 19.4 percent of respondents reported retirement was the most important reason. This percentage increased to 32.1 percent by 2001. In 1992, 12.0 percent of respondents reported their family did not save. This percentage declined to 4.9 percent in 2001.

Reasons Respondents Gave as Most Important for Their Families' Savings,  
Selected Years 1989–2001

Reason	1989	1992	1995	1998	2001
Education	8.1%	9.1%	10.8%	11.0%	10.9%
For the family	3.1	2.6	2.7	4.1	5.1
Buying a new home	4.9	4.0	5.1	4.4	4.2
Purchases	7.9	9.7	12.8	9.7	9.5
Retirement	18.4	19.4	23.7	33.0	32.1
Liquidity	34.2	33.9	33.0	29.8	31.2
Investment	8.0	7.6	4.2	2.0	1.0
No particular reason	a	1.7	0.8	1.3	1.1
When asked for a reason, reported do not save	a	12.0	6.8	4.9	4.9
Other reasons	6.7	a	a	a	a

<sup>a</sup>Data not available.

- In 2001, 92.9 percent of families held at least one type of financial asset. This is up from 90.3 percent in 1992. The most common type of financial asset was a transaction account (e.g., checking account or pass-book savings account), which was held by 90.9 percent of families in 2001, up from 87.0 percent in 1992. The second most commonly held financial asset was a tax-deferred retirement account.

### Retirement Accounts

- A tax-deferred retirement account was one of the most widely held financial assets in 2001, with 52.2 percent of families holding assets in this type of account, up from 37.9 percent in 1992.
- The median value of tax-deferred retirement accounts in 2001 was \$29,000. This is an increase of 90.8 percent from 1992, when the median value was \$15,200.
- A tax-deferred retirement account is defined as an individual retirement account (IRA), Keogh plan, and certain accounts held in employment-based plans such as 401(k), 403(b), and thrift savings plans. This definition of employment-based plans includes only those with assets that are portable across jobs and to which families will ultimately have full access.

**Percentage of Families Holding Assets in a Retirement Account and  
Median Value of the Assets, Selected Years 1992–2001**

	1992	1995	1998	2001
Percentage of Families	37.9%	43.0%	48.9%	52.2%
Median Value of Assets	\$15,200	\$15,600	\$26,100	\$29,000

**Mutual Funds**

- The percentage of families holding assets in mutual funds increased 7.3 percentage points from 1992 (10.4 percent of families) to 2001 (17.7 percent of families). Mutual fund assets as defined here are assets held directly in mutual funds and exclude money market funds and mutual fund assets held in other financial vehicles such as tax-deferred retirement accounts.
- The median value of assets held in mutual funds in 2001 was \$35,000. This is an increase of 101.1 percent from 1992, when the median value was \$17,400.

**Percentage of Families Holding Assets in Mutual Funds and  
Median Value of the Assets, Selected Years 1992–2001**

	1992	1995	1998	2001
Percentage of Families	10.4%	12.0%	16.5%	17.7%
Median Value of Assets	\$17,400	\$19,000	\$27,200	\$35,000

**Families' Stock Holdings**

- A family could hold stock either directly or indirectly through another type of financial assets such as a mutual fund or a retirement account. The percentage of families holding stock, directly or indirectly, increased from 36.7 percent in 1992 to 51.9 percent in 2001, or 15.2 percent.
- The median value of families' stock holdings increased from \$13,000 in 1992 to \$34,300 in 2001. The data presented here for median value are in 2001 dollars.
- Stock holdings, as a percentage of families' total financial assets (among families holding stock), increased dramatically from 1992 (33.7 percent) to 2001 (56.0 percent).

**Direct and Indirect Family Holdings of Stock,  
Selected Years 1992–2001**

	1992	1995	1998	2001
Percentage of Families	36.7%	40.4%	48.9%	51.9%
Median Value of Assets (in constant 2001 \$)	\$13,000	\$16,900	\$27,200	\$34,300
Stock Holdings as a Share of a Families' Total Financial Assets	33.7%	39.9%	53.9%	56.0%

For more information, contact Ken McDonnell, (202) 775-6342, or see EBRI's Web site at [www.ebri.org](http://www.ebri.org).  
Source: Federal Reserve, Board of Governors, *2001 Survey of Consumer Finance*  
[www.federalreserve.gov/pubs/oss/oss2/scfindex.html](http://www.federalreserve.gov/pubs/oss/oss2/scfindex.html)