

Who Is Most Vulnerable to the Ticking Debt Time Bomb in Retirement: Families With the Oldest, Black/African American, and Hispanic Family Heads

By Craig Copeland, Ph.D., Employee Benefit Research Institute

AT A GLANCE

Much of the attention to retirement preparedness focuses on asset accumulation in individual account retirement plans as well as the presence of defined benefit plans, but the other side of the balance sheet — debt — can potentially have a significant impact on the financial success of an individual's retirement. Any debt that a family may have accrued entering or during retirement can offset any asset accumulations, resulting in less retirement income security.

This *Issue Brief* focuses on the trends in debt levels among American families with a special emphasis on families with family heads ages 55 or older and those of different racial/ethnic groups, as financial liabilities are a vital but often ignored component of retirement income security. The Federal Reserve's Survey of Consumer Finances (SCF) is used in this article to determine the debt levels. The most recent data are for 2019, so they establish a pre-pandemic baseline.

In addition to the incidence and levels of debt, debt is examined in two ways:

- Debt payments relative to *income*.
- Debt relative to *assets*.

Each measure provides insight regarding the financial abilities of American families to cover their debt before or during retirement. For example, higher *debt-to-income* ratios may be acceptable for families with younger heads who would have long working careers ahead of them, because their incomes are likely to rise, and their debt (related to housing or children) is likely to fall in the future. On the other hand, higher debt-to-income ratios may represent more serious concerns for families with older heads, who could be forced to reduce their accumulated assets to service the debt at points where their peak earning years are ending or behind them. However, if these older families with high debt-to-income ratios have low *debt-to-asset* ratios, the effect of paying off the debt may not be as financially difficult as it might be for those with high debt-to-income *and* high debt-to-asset ratios.

This study by the Employee Benefit Research Institute (EBRI) found the following trends in the debt holdings of families:

- The share of American families with heads ages 55 or older with debt increased continuously from 1998 through 2019. The 2019 level of 68.4 percent was nearly 15 percentage points higher than the 1992 level of 53.8 percent and 5.4 percentage points higher than in 2007. This increase in the incidence of debt has been driven in recent years by the families with heads ages 75 or older. For this age cohort, the share having debt increased from 41.3 percent in 2013 to the 51.4 percent in 2019. In contrast, the incidence among families with heads ages 55–64 and 65–74 experienced a small increase or decline during that period.
- *Debt levels*, in contrast, have decreased from their peaks in 2010, although families still had debt levels that exceed their 2001 levels. The average debt amount for families with heads ages 55 or older was \$88,245 in

2010; this amount stood at \$82,481 in 2019 (both amounts in 2019 dollars). Furthermore, debt payments as a percentage of income fell from 11.4 percent in 2010 to 9.2 percent in 2019, and debt payments as a percentage of assets declined from 8.4 percent to 6.8 percent.

- Housing debt continued to drive the level of debt payments in 2019. However, the incidence of credit card debt increased for families with heads ages both 55–64 and 75 or older in 2019, and each age group of family heads experienced an upturn in the median credit card debt held in 2019. In fact, families with heads ages 75 or older had significant growth in both median housing and median credit card debt in 2019.
- Still, younger families — those with heads younger than age 55 — have had a higher probability of having debt and higher debt payments as a percentage of income than families with older heads.
- Families with Black/African American or Hispanic heads had much higher debt-to-asset ratios than families with white, non-Hispanic heads. Further, the debt of the families with minority heads is more likely the result of consumer debt, not housing debt. This is troubling because while families can build wealth through homeownership, they cannot through consumer debt.
- Furthermore, families with minority heads, particularly those with Hispanic heads, were more likely to have debt payments more than 40 percent of their income.

In short, while improving in many respects in the most recent years, the overall trends in debt are troubling in terms of retirement preparedness.

American families with heads just reaching retirement or those newly retired are more likely to have debt — and higher levels of debt — than past generations. Furthermore, the percentage of families with heads ages 75 or older having debt, including credit card debt, is at its highest level since 1992. Thus, more and more families are carrying debt into and throughout retirement.

All of this points to the importance of workplace financial wellness programs that support money management skills not only as a way to benefit individuals during their working years but also into their retirement. With reduced financial liabilities and a sounder balance sheet, workers not only can better focus on work but feel more secure in retiring. This is even more pertinent for families with minority heads, as they have more debt relative to their assets than families with white, non-Hispanic heads.

Craig Copeland is a Senior Research Associate at the Employee Benefit Research Institute (EBRI). This *Issue Brief* was written with assistance from the Institute’s research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

Suggested citation: Craig Copeland, “Who Is Most Vulnerable to the Ticking Debt Time Bomb in Retirement: Families With the Oldest, Black/African American, and Hispanic Family Heads,” *EBRI Issue Brief*, no. 521 (December 17, 2020).

Copyright Information: This report is copyrighted by the Employee Benefit Research Institute (EBRI). You may copy, print, or download this report solely for personal and noncommercial use, provided that all hard copies retain any and all copyright and other applicable notices contained therein, and you may cite or quote small portions of the report provided that you do so verbatim and with proper citation. Any use beyond the scope of the foregoing requires EBRI’s prior express permission. For permissions, please contact EBRI at permissions@ebri.org.

Report availability: This report is available on the internet at www.ebri.org

Table of Contents

Introduction	5
Youngest and Highest-Income Families Most Likely to Have Debt.....	5
Debt Levels Fall for Most Family Types	7
Increasing Debt Payments for Families With the Oldest Heads	9
Nonhousing Debt Percentages Increased.....	10
Excessive Debt Levels Generally on the Decline	11
Variations in Debt as a Percentage of Assets by Demographic Groups	13
Changes in Credit Card and Housing Debt	15
Comparison With Younger Families	18
Comparisons Between Families With Heads of Different Races/Ethnicities	20
Conclusion	22
Appendix	23
Endnotes	25

Figures

Figure 1, Percentage of Families With Heads Ages 55 or Older With Debt, by Age of Family Head, 1992–2019	6
Figure 2, Percentage of Families With Heads Ages 55 or Older With Debt, by Income Quartile, 1992–2019	7
Figure 3, Average Total Debt and Median Total Debt for Those With Debt for Families With Heads Ages 55 or Older, by Various Characteristics, 2010, 2016, and 2019.....	8
Figure 4, Total Debt Payments as a Percentage of Income Among Families With Heads Ages 55 or Older, by Age of Family Head, 1992–2019.....	9
Figure 5, Total Debt Payments as a Percentage of Income for Families With Heads Ages 55 or Older, by Income Quartile, 1992–2019	10
Figure 6, Total Housing and Nonhousing Debt Payments as a Percentage of Income Among Families With Heads Ages 55 Or Older, by Age of Family Head, 1992–2019.....	11

Figure 7, Percentage of Families With Heads Ages 55 or Older Who Have Debt Payments of Greater Than 40 Percent of Income, by Age of Family Head, 1992–2019.....	12
Figure 8, Percentage of Families With Heads Ages 55 or Older With Debt Payments Greater Than 40 Percent of Their Income, by Income Quartile, 1992–2019.....	12
Figure 9, Total, Nonhousing, and Housing Debt as a Percentage of Assets for Families With Heads Ages 55 or Older, 1992–2019.....	13
Figure 10, Total Debt as a Percentage of Assets, Percentage With Debt, and Median Debt-to-Asset Ratio for Those With Debt, for Families With Heads Ages 55 or Older, by Various Characteristics, 2010, 2016, and 2019	14
Figure 11, Percentage of Families With Heads Ages 55 or Older With Housing Debt, by Age of Family Head, 1992–2019.....	16
Figure 12, Percentage of Families With Heads Ages 55 or Older With Credit Card Debt, by Age of Family Head, 1992–2019.....	16
Figure 13, Median Housing Debt for Families With Heads Ages 55 or Older With Housing Debt, by Age of Family Head, 1992–2019.....	17
Figure 14, Median Credit Card Debt for Families With Heads Ages 55 or Older With Credit Card Debt, by Age of Family Head, 1992–2019	17
Figure 15, Percentage of Families With Debt, by Age of Family Head, 1992–2019	18
Figure 16, Total Debt Payments as a Percentage of Income Among Families With Heads Younger Than Age 55, by Age of Family Head, 1992–2019.....	19
Figure 17, Percentage of Families With Heads Younger Than Age 55 With Debt Payments Greater Than 40 Percent of Income, by Age of Family Head, 1992–2019.....	19
Figure 18, Comparison of Various Debt Statistics Between Families With Heads Ages 55 or Older and of Those With Heads Ages Younger Than 55, 2010 and 2019.....	20
Figure 19, Percentage of All Families and Families With Heads Ages 55 or Older Having Debt, by Race/Ethnicity of the Family Head, 2019.....	21
Figure 20, Percentage of All Families With Credit Card Debt, Mortgage Debt, and Debt Payments Greater Than 40% of Income, by Race/Ethnicity of the Family Head, 2019	21
Figure 21, Median Debt-to-Asset Ratio of All Families and Families with Heads Ages 55 or Older Having Debt, by Race/Ethnicity of the Family Head, 2019	22
Appendix Figure 1, Average Total Debt and Median Total Debt for Families With Heads Ages 55 or Older With Debt, by Various Characteristics, 1992–2013.....	23
Appendix Figure 2, Total Debt as a Percentage of Assets, Percentage With Debt, and Median Total Debt-to-Asset Ratio for Those With Debt, Families With Heads Ages 55 or Older, by Various Characteristics, 1992–2013.....	24

Who Is Most Vulnerable to the Ticking Debt Time Bomb in Retirement: Families With the Oldest, Black/African American, and Hispanic Family Heads

By Craig Copeland, Ph.D., Employee Benefit Research Institute

Introduction

Much of the attention to retirement preparedness focuses on asset accumulation in individual account retirement plans and the presence of defined benefit plans, but the other side of the balance sheet — debt — can potentially have a significant impact on the financial success of an individual's retirement. Any debt that a family may have accrued entering or during retirement can offset any asset accumulations, resulting in lower levels of retirement income security.¹

This *Issue Brief* focuses on the trends in debt levels among American families with a special emphasis on families with family heads ages 55 or older and those of different racial/ethnicity groups, as financial liabilities are a vital but often ignored component of retirement income security.² The Federal Reserve's Survey of Consumer Finances (SCF) is used in this article to determine the debt levels.³ The most recent data are for 2019, so they establish a pre-pandemic baseline.

In addition to the existence and levels of debt, debt is examined in two ways:

- Debt payments relative to *income*.
- Debt relative to *assets*.

Each measure provides insight regarding the financial abilities of families with older heads to cover their debt before or during retirement. For example, higher *debt-to-income* ratios may be acceptable for families with younger heads who would have long working careers ahead of them, because their incomes are likely to rise, and their debt (related to housing or children) is likely to fall in the future. On the other hand, higher debt-to-income ratios may represent more serious concerns for families with older heads, who could be forced to reduce their accumulated assets to service the debt at points where their peak earning years are ending. However, if these families with older heads having high debt-to-income ratios have low *debt-to-asset* ratios, the effect of paying off the debt may not be as financially difficult as it might be for those with high debt-to-income *and* high debt-to-asset ratios.

Before presenting the debt ratios, the incidence of debt among families is examined. Furthermore, the average level of debt for these families and the median level of debt for those families with debt is presented. Other topics studied include the percentage of families with housing and credit card debt and the median levels of these debts held by those families. Families with heads ages 55 or older will be the initial focus before comparing them with families with heads younger than age 55. The study will conclude with a section on the differences in debt holdings of families by the race/ethnicity of the family head.

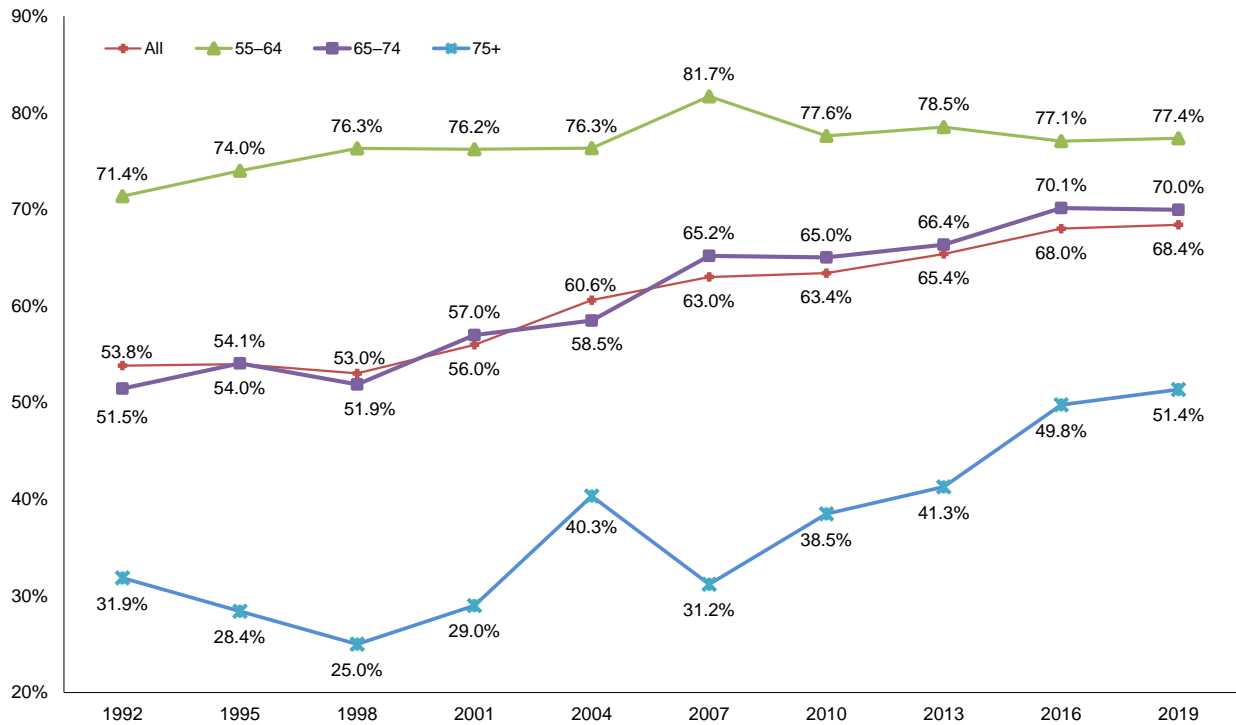
Youngest and Highest-Income Families Most Likely to Have Debt

The share of American families with heads ages 55 or older who had debt increased continuously from 1998 through 2019. More than two-thirds (68.4 percent) of American families with heads ages 55 or older had some level of debt in 2019, up from 53.0 percent in 1998, 63.0 percent in 2007, and 65.4 percent in 2013 (Figure 1). The 2019 level was nearly 15 percentage points higher than the 1992 level of 53.8 percent and 5.4 percentage points higher than the 2007 level.

The percentage with debt was lower for families with older heads, and this has held true each year since 1992. In 2019, 77.4 percent of families with heads ages 55–64 held debt, compared with 70.0 percent of those with heads ages 65–74 and 51.4 percent of those with heads ages 75 or older.

However, the debt trends across these age cohorts has differed since 2007. The proportion of the families with heads ages 55–64 with debt trended downward from 2007 to 2016, falling from 81.7 percent in 2007 to 77.1 percent in 2016 before the slight uptick in 2019. In contrast, the percentage of families with heads ages 65 and older with debt generally trended upward in the most recent years. The exception was families with heads ages 65–74, who saw a slight decline in 2019. For families with heads ages 65–74, the percentage with debt fell from 2007 to 2010 before increasing in 2013 and 2016, reaching 70.1 percent in 2016. However, it leveled off in 2019 at 70.0 percent. The rise in debt prevalence was steepest for families with heads ages 75 or older between 2007 and 2019, going from 31.2 percent in 2007 to 51.4 percent in 2019.

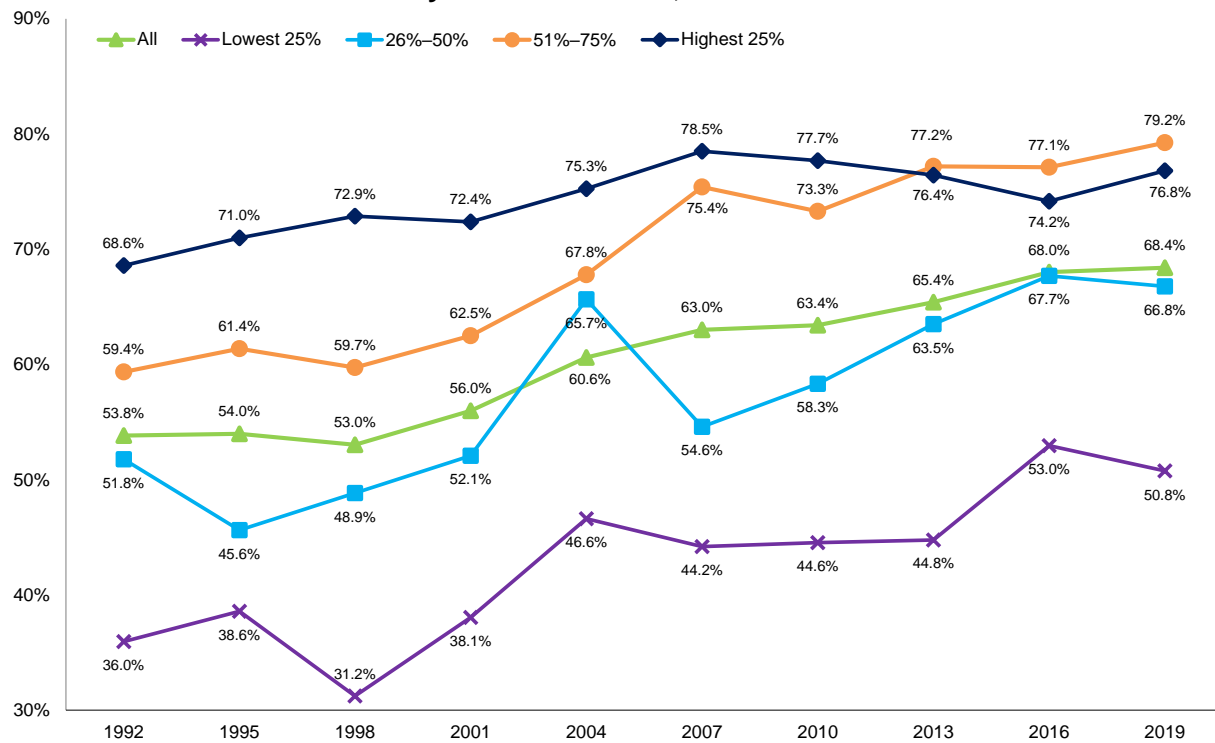
Figure 1
Percentage of Families With Heads Ages 55 or Older With Debt, by Age of Family Head, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

The percentage with debt increased from 2016 to 2019 among the families in the upper half of family incomes but decreased for the families in the lower half of incomes (Figure 2). This is in contrast to these families’ experience from 2013 to 2016, when the reverse occurred. Yet only those families in the highest income quartile saw the percentage with debt in 2019 fall below its 2007 level. Still, upper-income families were significantly more likely to have debt than lower-income families. More than three-quarters of families with incomes in the top half had debt, compared with just over 50 percent of families in the lowest income quartile. The lowest-income-quartile families also had the largest decrease in the percentage with debt in 2019.

Figure 2
Percentage of Families With Heads Ages 55 or Older With Debt, by Income Quartile, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Debt Levels Fall for Most Family Types

While the percentage of families with heads ages 55 or older *with any debt* increased from 2010 to 2019, the *average total debt* level decreased from 2010 to 2019 — \$88,245 (2019 dollars) to \$82,481 in 2019. Likewise, the *median debt level* of those with debt shrank from \$65,272 to \$44,350 (Figure 3).⁴ This was a real decrease in the average and median debt levels of 6.5 percent and 32.1 percent, respectively, from 2010.^{5, 6}

These debt levels differed significantly across various family characteristics. Families with younger or more educated family heads, higher incomes, and higher net worths had significantly higher average and median debt levels. Appreciably higher average levels of debt were also seen in families headed by individuals who were *not* retired, white, or married. For example, in 2019, among those with debt, families with heads ages 55–64 had a median debt of \$60,500, compared with \$29,000 for families with heads ages 75 or older.

While there was an overall decline in the average debt level from 2010 to 2019, the average debt level of some categories of families increased. For example, the average debt of families with heads ages 75 or older increased from \$32,294 in 2010 to \$44,828 in 2019, compared with a decrease from \$83,505 to \$73,397 for families with heads ages 65–74. Further, the median debt levels of families in the third quartile of net worth and with heads who did not work for reasons other than being retired increased from 2010 to 2019.

While the decreases in debt levels from 2010 to 2019 can be construed as a positive result for these families, debt levels may not tell the full story of their financial wellbeing. If income and assets fell at a pace faster than these debt levels, these families might actually be in a worse financial position despite the decreased debt levels.⁷ Consequently, the next two sections of this article examine debt levels relative to income and assets:

- For income, the amount of debt service is examined by using required debt payments relative to *family income*.
- For assets, outstanding debt is measured relative to *total assets*.

Figure 3
Average Total Debt and Median Total Debt for Those With Debt for Families
With Heads Ages 55 or Older, by Various Characteristics, 2010, 2016, and 2019

Category	Average			Median With Debt		
	2010	2016	2019	2010	2016	2019
All	\$88,245	\$81,556	\$82,481	\$65,272	\$50,840	\$44,350
Age of Family Head						
55–64	126,138	114,880	112,405	90,250	72,644	60,500
65–74	83,505	69,864	73,397	52,548	44,246	39,220
75 or older	32,294	39,095	44,828	35,346	22,229	29,000
Race of Family Head						
White, non-Hispanic	94,621	87,840	89,550	70,692	56,158	50,080
Black/African American	52,713	45,415	46,651	47,128	31,376	18,800
Hispanic	64,861	61,403	57,286	37,702	23,888	35,500
Other	92,108	98,582	92,721	64,294	70,198	48,000
Family Income Quartile						
Lowest 25%	26,831	18,902	17,494	14,174	9,987	8,000
26%–50%	40,336	40,224	40,340	34,168	31,057	24,700
51%–75%	80,066	72,175	73,480	71,870	53,180	60,540
Highest 25%	207,293	195,828	198,221	153,166	162,305	159,600
Family Status						
Married	125,073	116,490	125,329	86,009	82,961	75,220
Single male	52,189	60,207	51,762	41,237	36,907	26,000
Single female	46,651	38,269	38,098	37,702	21,272	18,000
Education of Family Head						
Below HS diploma	29,888	31,539	21,579	20,029	18,400	11,000
HS diploma	52,370	44,909	50,950	44,772	31,376	25,000
Some college	85,539	73,191	70,584	67,157	52,116	46,050
College degree	157,523	139,776	135,365	128,506	95,724	91,900
Net Worth Percentile						
Lowest 25%	44,816	30,565	26,219	23,564	14,252	10,000
25%–49%	66,282	63,493	65,963	64,212	48,383	48,420
50%–75%	54,507	63,667	70,889	51,805	51,053	56,000
75%–90%	128,843	118,662	107,994	121,944	108,487	74,200
Top 10%	277,403	243,281	255,161	270,986	212,720	215,300
Working Status of Family Head						
Works for someone else	116,698	123,693	106,483	83,063	77,430	69,260
Self-employed	221,439	159,981	183,069	132,548	103,701	77,600
Retired	42,827	44,905	47,681	38,998	26,590	25,400
Other nonwork	96,488	66,975	75,208	61,655	49,670	70,000

Source: Employee Benefit Research Institute estimates from the 2010, 2016, and 2019 Survey of Consumer Finances.

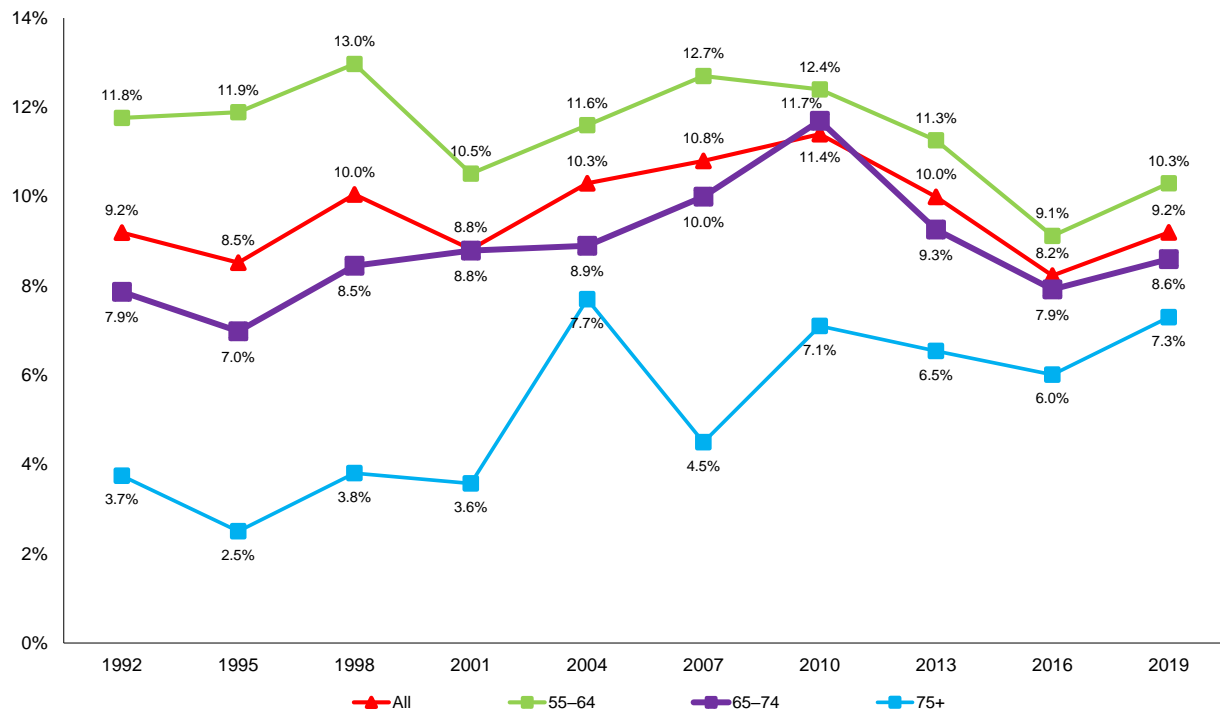
Note: All dollar amounts are in 2019 dollars. Net worth percentiles and income quartiles are for the families with a head ages 55 or older, not for all families.

Increasing Debt Payments for Families With the Oldest Heads

The first measure of the indebtedness is the percentage of family income that debt payments represent. From 1992 to 2001, debt payments were approximately 9 percent of family income, at which point they began trending upward to 11.4 percent by 2010 (Figure 4). After 2010, debt payments as a percentage of family income declined to 8.2 percent in 2016. However, they increased again in 2019 to 9.2 percent.

The older the family head, the lower the debt payments as a percentage of income, with the families with heads ages 55–64 having debt payments make up 10.3 percent of income in 2019, compared with 8.6 percent for families with heads ages 65–74 and 7.3 percent for those families with heads ages 75 or older. In 2019, debt payments as a percentage of income increased for each age category relative to those seen in 2016. Most notably in 2019, families with heads ages 75 or older reached their highest level of debt payments as a percentage of income since 2004.

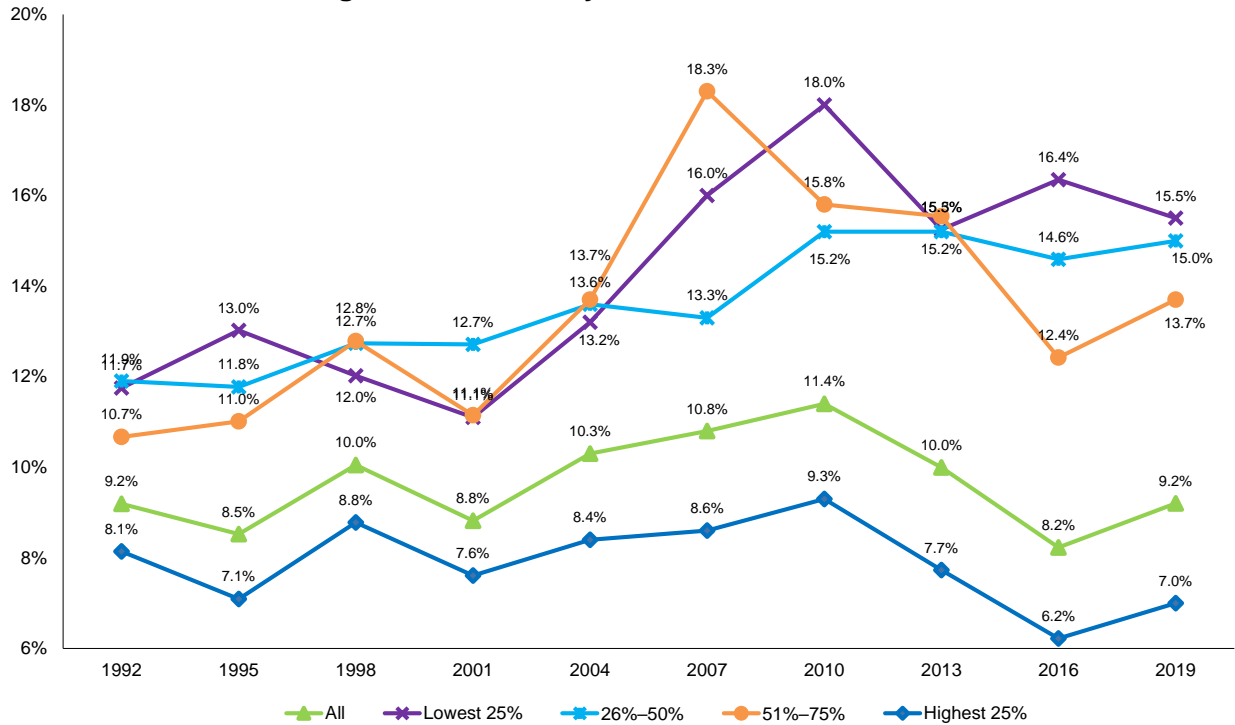
Figure 4
Total Debt Payments as a Percentage of Income Among Families With Heads Ages 55 or Older, by Age of Family Head, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Families with lower incomes had higher debt payment percentages in 2019. The families in the lowest income quartile of family income had debt payments make up 15.5 percent of their income (Figure 5). This percentage declined to 7.0 percent for families in the highest income quartile. This pattern was not found in previous years, as the percentages in the lowest three quartiles bounced around relative to each other, but families in the highest income quartile always had the lowest debt payment percentage. In 2019, debt payments as a percentage of income increased across each income quartile except for the lowest quartile, where it decreased.

Figure 5
Total Debt Payments as a Percentage of Income for Families With Heads Ages 55 or Older, by Income Quartile, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Nonhousing Debt Percentages Increased in 2019

Debt payments attributable to housing debt were the source of much of the changes in total payments since 1992, while the share of nonhousing (e.g., consumer) debt has been much more stable (Figure 6). The share of income that went to housing-debt payments increased from 5.2 percent in 1992 to 8.3 percent in 2010 before declining to 5.7 percent in 2016. In 2019, the share of housing-debt payments increased to 6.1 percent. Nonhousing-debt payments as a percentage of income trended downward from the 1990s to 2016, but the movement was in a much smaller range than for housing-debt payments, going from a high of 4.2 percent in 1998 to 2.5 percent in 2016. However, in 2019, the nonhousing-debt payments as a percentage of income increased to 3.1 percent, where the percentage was in 2007 and 2010.

While nonhousing debt as a percentage of income was much lower for the families with heads ages 75 and older compared with younger age cohorts until 2010 (with the exception of 2004), it has grown to be in line with them. In 2019, nonhousing debt was 2.9 percent of income for the oldest cohorts and 3.3 percent for the families with heads ages 55–64.

In contrast, the percentage of housing debt has continued to show a pattern of decreasing for each older age group. In 2019, the housing debt percentages declined from 7.0 percent for the families with heads ages 55–64 to 4.4 percent for the families with heads ages 75 and older. Still, these debt payment percentages are higher than they were in 2016.

Figure 6
**Total Housing and Nonhousing Debt Payments as a Percentage of Income
Among Families With Heads Ages 55 Or Older, by Age of Family Head, 1992–2019**



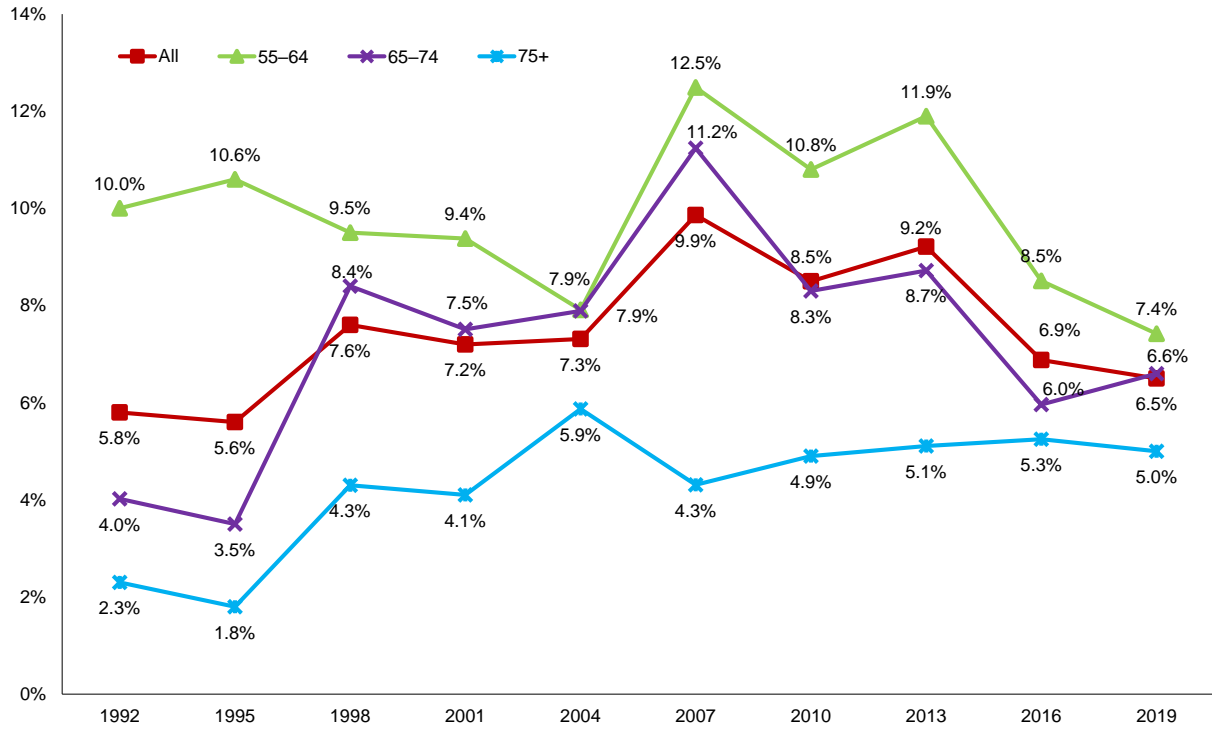
Source: Employee Benefit Research Institute estimates from the 1992, 1998, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Excessive Debt Levels Generally on the Decline

Looking at the *average debt payment* as a percentage of income does not generally reveal how many people are in difficult situations with debt, because the average can mask a wide distribution of individual circumstances. A threshold commonly used for determining a problem with excessive debt is when family debt payments exceed 40 percent of *their income*. By that standard, the percentage of families with excessive debt decreased in 2019, reaching its lowest level since 1995. Specifically, the proportion of families with heads ages 55 or older surpassing this threshold decreased from 9.2 percent in 2013 to 6.9 percent in 2016 and 6.6 percent in 2019. However, this still exceeds the 1995 level of 5.6 percent (Figure 7).

The increase from 2004–2007 was a result of the surge in families with heads ages 55–74 whose debt payments exceeded the 40 percent threshold. In contrast, families with heads ages 75 or older experienced a decline in the percentage with debt payments above this threshold during this time frame. Conversely, the decline from 2007–2010 reflects the exact opposite: While the families with heads ages 55–74 saw a decrease in the proportion exceeding the 40 percent threshold, the percentage of those families with heads ages 75 or older with these high debt payments increased, rising to 4.9 percent in 2010 from 4.3 percent in 2007. Then, in 2013, the percentage with debt payments above the 40 percent threshold increased across each age group. While the overall percentage decreased in 2019, the percentage with debt payments greater than 40 percent of income for families with heads ages 65–74 increased in 2019.

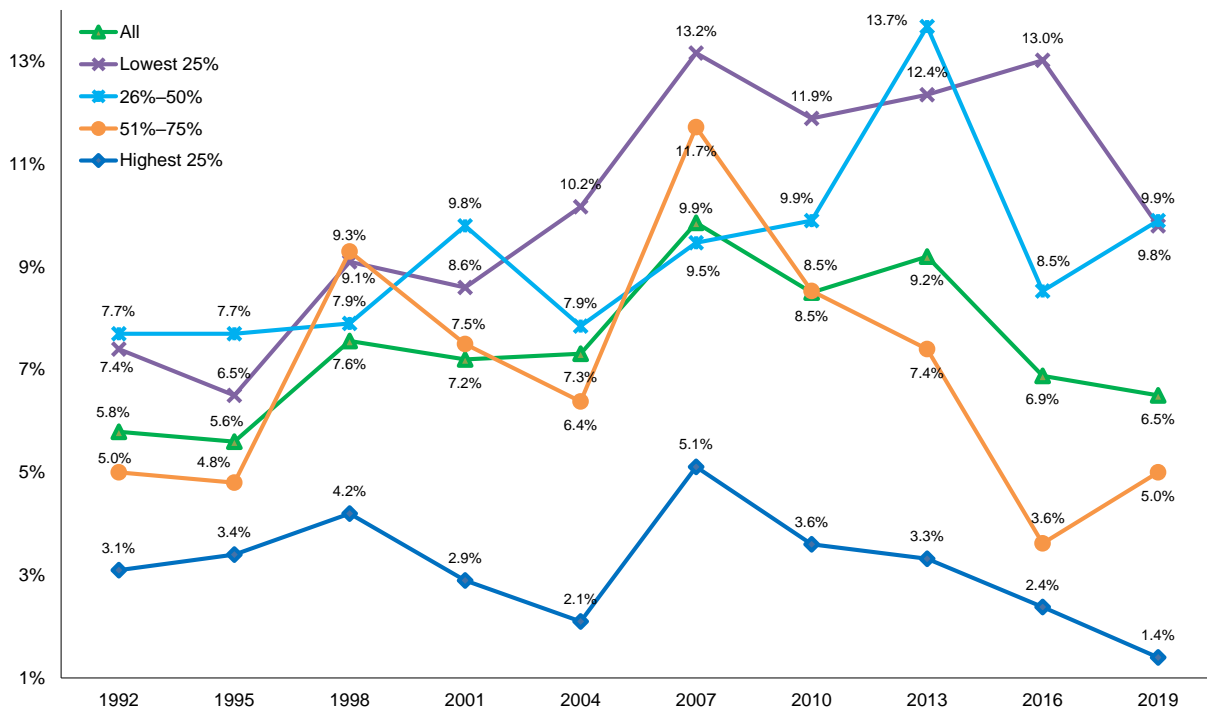
Figure 7
Percentage of Families With Heads Ages 55 or Older Who Have Debt Payments of Greater Than 40 Percent of Income, by Age of Family Head, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

In each year of the study, the share of families with debt payments above 40 percent of their income was lowest for those families in the highest income quartile (Figure 8). The proportion of families above the 40 percent threshold was highest for families in either the first or the second income quartile, except in 1998, when families in the third quartile had the highest level.

Figure 8
Percentage of Families With Heads Ages 55 or Older With Debt Payments Greater Than 40 Percent of Their Income, by Income Quartile, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

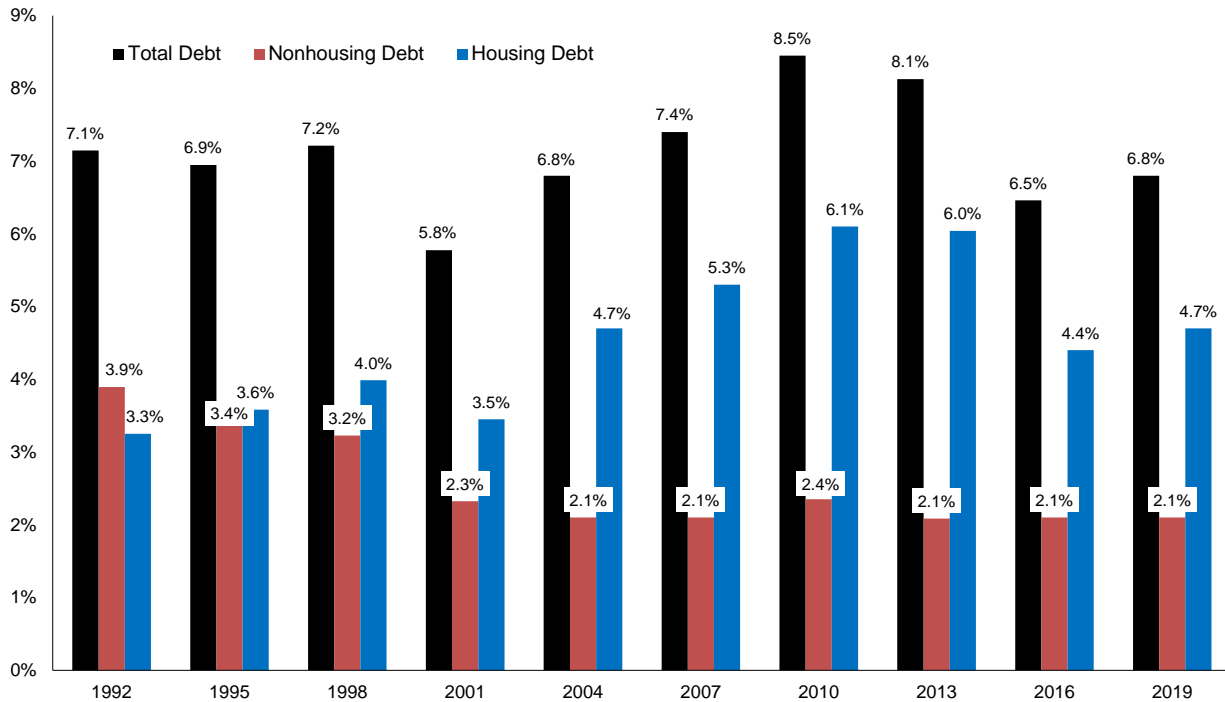
In 2019, families in the middle two income quartiles experienced an increase in the proportion of those with debt payments greater than 40 percent of their income, while families in the lowest and highest income quartiles experienced decreases. In fact, the share of families in the second income quartile (next to lowest) with debt payments greater than 40 percent of their income surpassed families in the lowest income quartile in 2019 at 9.9 percent compared with 9.8 percent.

From 1992 to 2019, families in the highest income quartile experienced the greatest overall decline in the proportion above the 40 percent debt threshold; those in the lowest income quartile experienced the greatest increase.

Variations in Debt as a Percentage of Assets by Demographic Groups

Debt as a percentage of *total assets* for families with heads ages 55 or older was virtually unchanged at approximately 7 percent from 1992–1998, but it decreased in 2001 to less than 6 percent before rebounding to just above 7 percent (at 7.4 percent) in 2007 (Figure 9). In 2010, the percentage jumped to 8.5 percent, the highest percentage during the study period. This declined in 2013 to 8.1 percent and to 6.5 percent in 2016 before a slight increase in 2019 to 6.8 percent. Nearly all of the decrease from 1998–2001 was due to a lower percentage of nonhousing debt relative to assets: Nonhousing debt decreased from 3.2 percent in 1998 to 2.3 percent of assets in 2001. After a relatively steady level of housing debt relative to assets from 1992–2001, housing debt increased from 3.5 percent in 2001 to 5.3 percent in 2007 and reached 6.1 percent in 2010. In 2013, the majority of the decrease was from nonhousing debt, while housing debt barely budged. In contrast, housing debt as a percentage of assets decreased and nonhousing debt relative to assets remained constant in 2016, while in 2019, the housing debt percentage increased and the nonhousing debt percentage again remained constant. Consequently, since 2001, the share of assets that was represented by nonhousing debt remained relatively low and fairly constant, while *housing* debt as a share of assets increased markedly through 2010 before declines in 2013 and 2016 and a slight increase again in 2019.

Figure 9
Total, Nonhousing, and Housing Debt as a Percentage of Assets for Families With Heads Ages 55 or Older, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Figure 10

Total Debt as a Percentage of Assets, Percentage With Debt, and Median Debt-to-Asset Ratio for Those With Debt, for Families With Heads Ages 55 or Older, by Various Characteristics, 2010, 2016, and 2019

Category	Debt as a Percentage of Assets			Percentage With Debt			Median Debt-to-Asset Ratio ^a		
	2010	2016	2019	2010	2016	2019	2010	2016	2019
All	8.4%	6.5%	6.8%	63.4%	68.0%	68.4%	19.6%	17.2%	16.5%
Age of Family Head									
55–64	10.7	8.4	8.7	77.6	77.1	77.4	22.8	23.0	20.9
65–74	7.7	5.8	5.7	65.0	70.1	70.0	15.9	14.8	13.3
75 or older	4.0	3.3	4.5	38.5	49.8	51.4	14.6	9.6	12.1
Race of Family Head									
White, non-Hispanic	7.7	5.8	6.0	62.3	67.1	69.3	17.9	14.3	13.8
Black/African American	21.7	18.6	18.3	65.4	72.6	65.4	30.6	31.9	23.9
Hispanic	17.6	12.7	17.1	70.0	65.2	69.0	23.7	23.6	29.7
Other	12.0	10.2	9.3	67.9	71.9	64.6	27.5	24.4	25.3
Family Income Quartile ^b									
Lowest 25%	11.0	10.3	8.2	44.6	53.0	50.8	30.1	24.0	23.1
26%–50%	9.9	13.6	13.9	58.3	67.7	66.8	23.9	23.6	21.2
51%–75%	12.4	11.8	12.1	73.3	77.1	79.2	20.3	16.4	18.0
Highest 25%	7.1	4.9	5.3	77.7	74.2	76.8	15.7	12.0	11.1
Family Status									
Married	8.2	6.1	6.3	71.3	73.5	74.5	17.7	14.8	14.4
Single male	7.4	6.8	7.5	52.9	59.8	62.9	19.8	21.4	16.8
Single female	11.1	8.9	8.9	55.7	64.2	62.9	26.4	22.2	20.8
Education of Family Head									
Below HS diploma	12.4	11.4	10.5	52.4	59.0	53.6	27.6	22.3	23.2
HS diploma	11.1	10.8	10.1	59.5	64.2	67.2	21.8	22.4	19.0
Some college	12.2	10.0	9.8	70.8	72.9	73.8	26.6	19.2	19.3
College degree	6.8	5.0	5.5	67.6	71.5	70.4	14.8	11.1	12.3
Net Worth Percentile ^b									
Lowest 25%	85.3	75.0	68.3	59.5	61.3	61.1	76.0	61.8	59.5
25%–49%	32.5	31.8	31.8	71.1	79.7	77.1	32.4	26.5	26.7
50%–75%	11.9	13.1	14.6	60.1	66.2	68.0	12.0	10.9	12.0
75%–90%	10.3	8.7	8.5	62.3	68.6	68.6	10.6	8.5	6.7
Top 10%	4.1	2.8	3.0	63.8	59.4	63.2	5.9	4.3	4.4
Working Status of Family Head									
Works for someone else	12.6	10.5	10.7	81.9	83.1	81.8	24.6	22.6	22.8
Self-employed	6.9	4.2	4.6	77.7	75.5	78.7	12.9	12.9	8.2
Retired	6.4	5.3	6.0	49.2	58.9	58.3	18.1	14.6	14.1
Other nonwork	22.8	20.3	9.5	78.5	62.9	68.7	40.6	36.8	37.7

Source: Employee Benefit Research Institute estimates from the 2010, 2016, and 2019 Survey of Consumer Finances.

^aThis includes only those who have debt.

^bNet worth percentiles and income quartiles are only for the families with heads ages 55 or older, not for all families.

As with the debt level, the share of family assets that debt represents varied significantly across various characteristics of family heads (Figure 10).⁸ For families with older family heads and with higher net worths, the share of assets represented by debt was the lowest. Specifically, the debt-to-asset ratio in 2019 was 8.7 percent for families with heads ages 55–64, but it was 4.5 percent for families with heads ages 75 or older. The lowest-net-worth families stood out as having the highest debt-to-asset ratio by far at 68.3 percent in 2019. In contrast, families in the top 10 percent of net worth had a debt-to-asset ratio of 3.0 percent. The other group of families with high relative debt-to-asset levels were those in the next-to-lowest net worth quartile at 31.8 percent.

Overall, the *median* debt-to-asset ratio for those with debt decreased from 19.6 percent in 2010 to 17.2 percent in 2016 and to 16.5 percent in 2019. However, this decrease was not universal across all the demographic groups. For example, families with family heads ages 55–64 and 65–74 had a decline in their median debt-to-asset ratio from 2016 to 2019, but the families with heads ages 75 or older experienced an increase (though the level was still lower than in 2010 for that age cohort). Furthermore, families with a Hispanic family head had an increase in the median debt-to-asset ratio from 2016 to 2019, while the families with Black/African American heads experienced a decrease in this median.^{9, 10}

Changes in Credit Card and Housing Debt

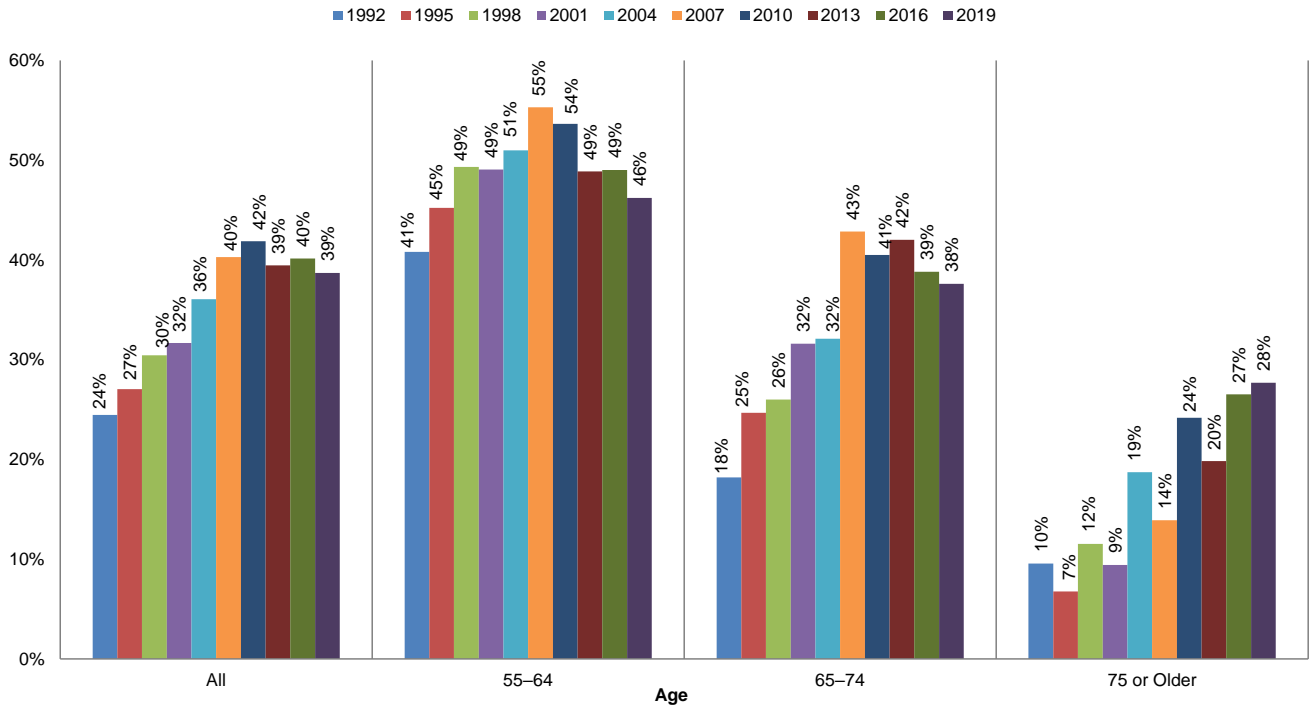
During the study period, the proportion of families with heads ages 55 or older bearing housing debt increased steadily, from 24 percent in 1992 to 42 percent in 2010. Since then, it has remained in a range between 39 percent and 42 percent (Figure 11). In contrast, the percentage with credit card debt held steady at the low 30 percent range through 2004 before reaching 38 percent in 2007. In 2010 and 2013, the percentage fell back into the mid- to low 30 percent range before jumping up to 38 percent in 2016 and 40 percent in 2019 (Figure 12). The percentage of these families with credit card debt in 2019 reached its highest level over the study period, but it was only 10 percentage points higher than its lowest level in 1998 of 30 percent. However, the percentage of these families with housing debt in 2019, while below its peak in 2010, was 15 percentage points higher than its lowest value in 1992 (24 percent). The percentage of these families with housing debt was lower for families with older heads, but the gap closed somewhat in 2019 as the percentage with housing debt among the youngest family-head age group decreased, while housing debt for families with the oldest heads increased.

While the percentage of families with heads ages 55–64 with credit card debt fell below that of the families with heads ages 65–74 in 2016 for the first time in the study period, it exceeded that age group again in 2019. Indeed, the proportion of families with heads ages 55–64 with credit card debt reached its highest level since 2007. Similarly, the incidence of credit card debt for the families with heads ages 75 or older rose in 2019, reaching its peak level.

For those with housing debt, the median amount held increased from \$90,406 in 2016 to \$97,000 in 2019, returning to a level similar to 2007–2013 (Figure 13). This increase in the median housing debt level occurred across all age groups. For families with heads ages 75 or older, the median housing debt in 2019 was the highest amount in the study period by a considerable margin.

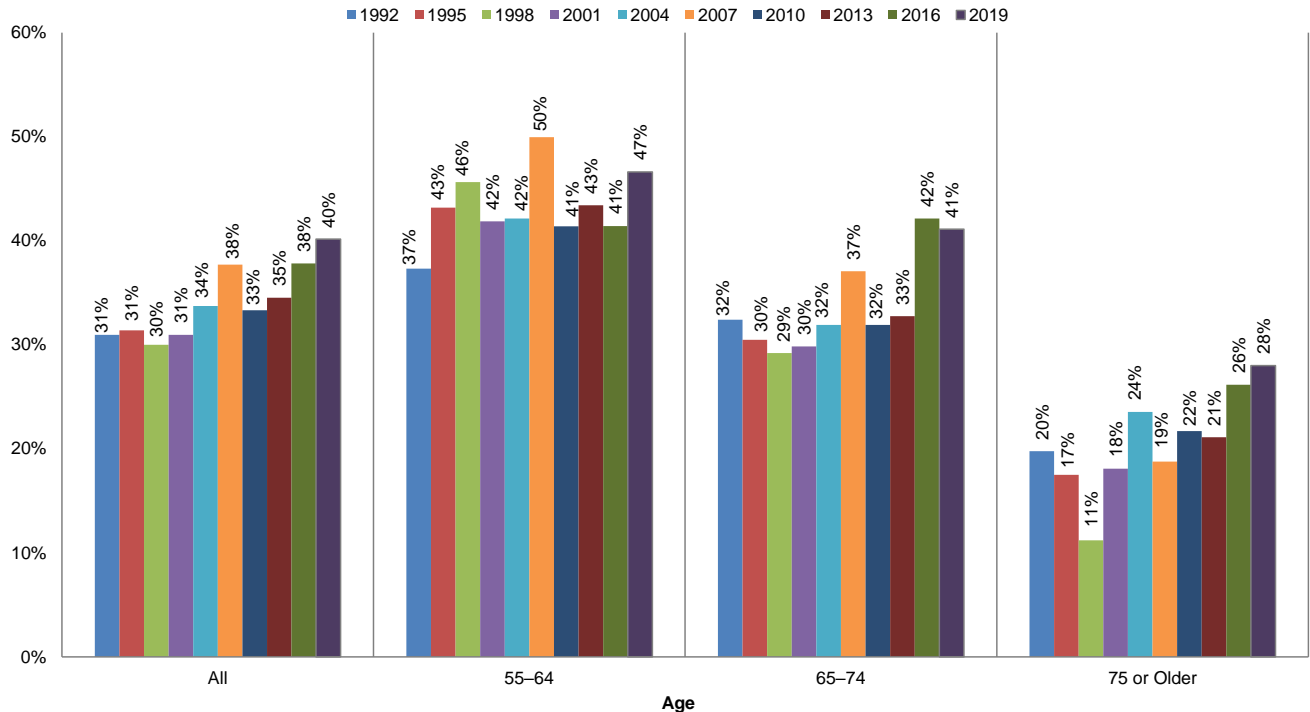
Not only did the percentage of families with heads ages 55–64 and ages 75 or older experience an increase in the prevalence of credit card debt from 2016 to 2019, but the median amount of their credit card debt also increased. Furthermore, while the 2019 median was still substantially below its peak in 2007 for families with heads ages 55–74, a new peak median credit card debt was established for families with heads ages 75 or older (Figure 14).

Figure 11
Percentage of Families With Heads Ages 55 or Older With Housing Debt, by Age of Family Head, 1992–2019



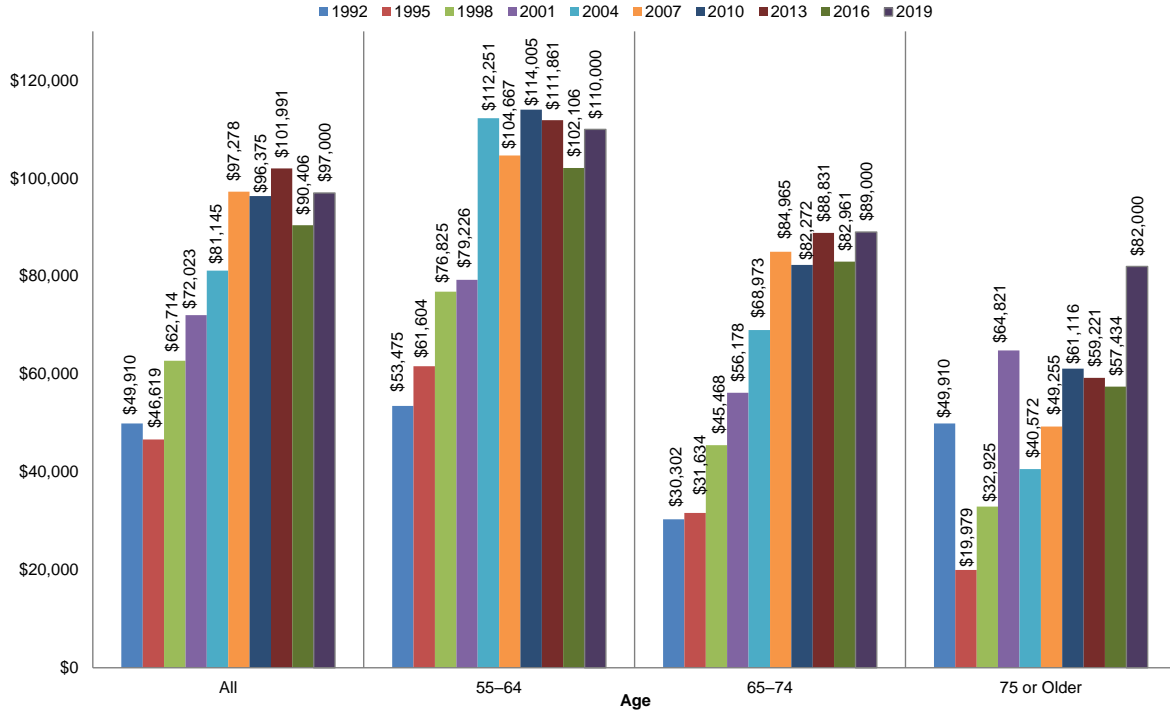
Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Figure 12
Percentage of Families With Heads Ages 55 or Older With Credit Card Debt, by Age of Family Head, 1992–2019



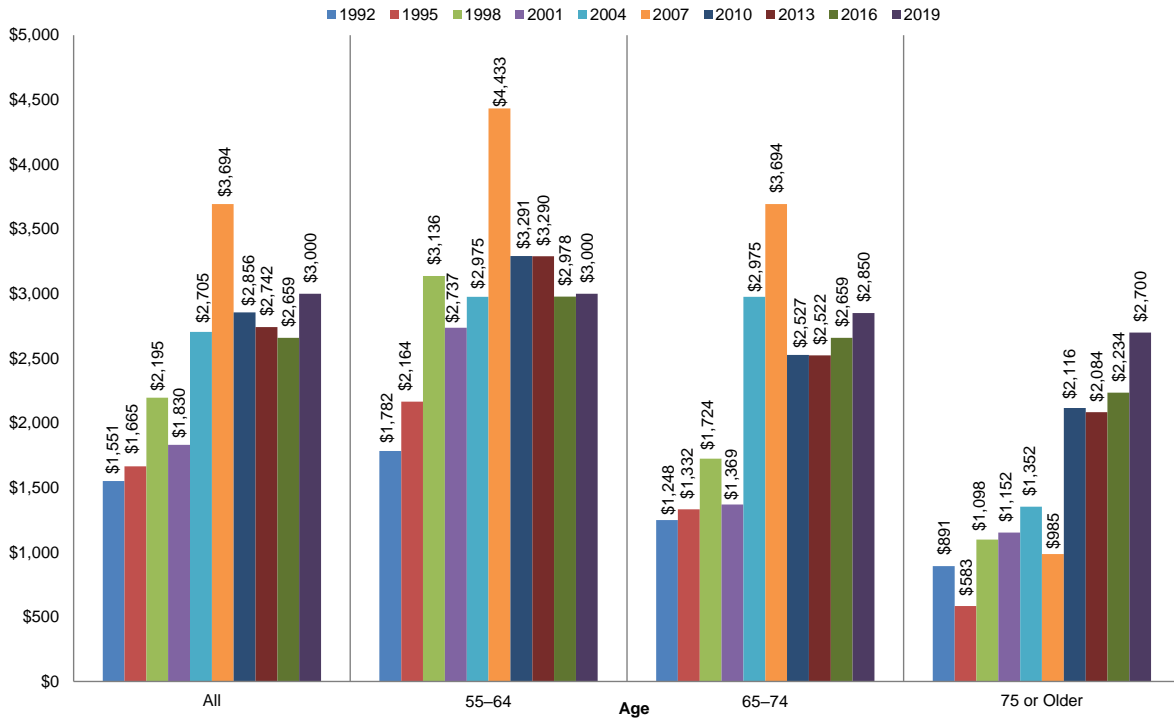
Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Figure 13
Median Housing Debt for Families With Heads Ages 55 or Older With Housing Debt, by Age of Family Head, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.
 Note: All dollar figures are in 2019 dollars.

Figure 14
Median Credit Card Debt for Families With Heads Ages 55 or Older With Credit Card Debt, by Age of Family Head, 1992–2019

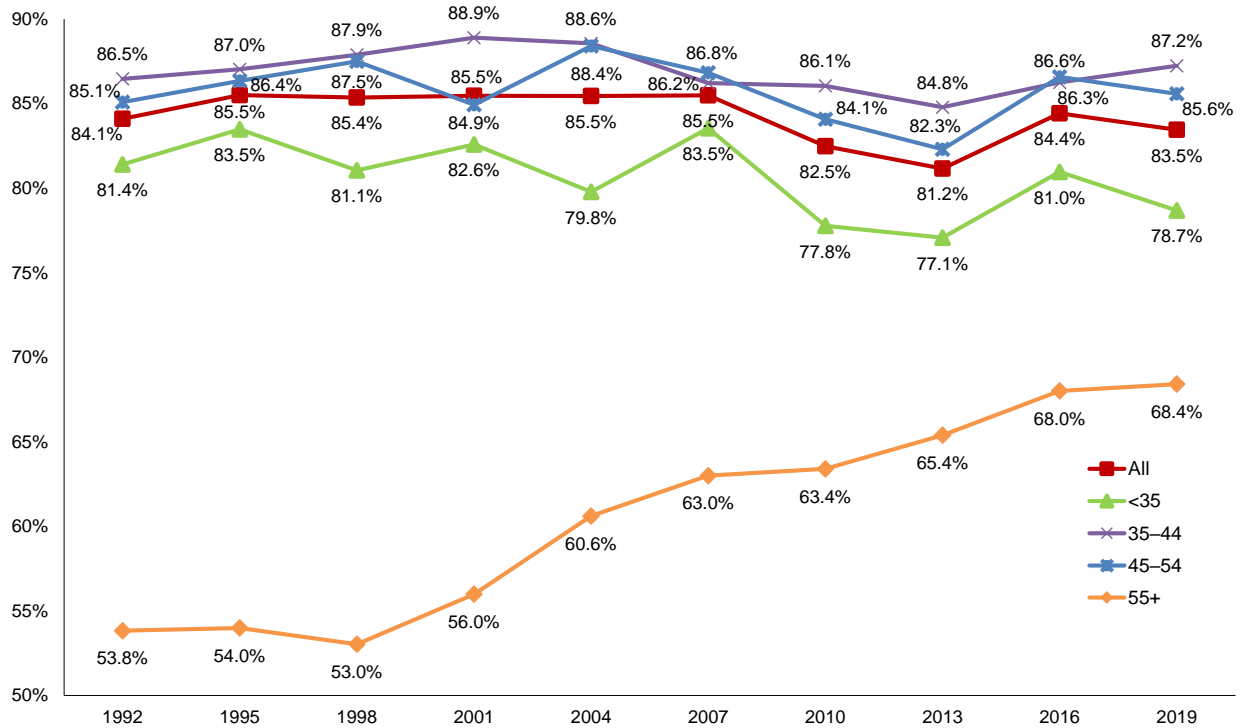


Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.
 Note: All dollar figures are in 2019 dollars.

Comparison With Younger Families

The data show that the percentage of families with debt peaked for those with family heads ages 35–54 and then trended downward for families with older heads. The percentage of families with heads younger than age 55 with debt ranged from a low of 81.2 percent in 2013 to a high of 85.5 percent in 1995 and 2001–2007 (Figure 15). This percentage in 2019 was significantly above the percentage (68.4 percent) for families with heads ages 55 or older, but it was much closer to the percentage of families with heads ages 55–64 (77.4 percent in 2019 from Figure 1).

Figure 15
Percentage of Families With Debt, by Age of Family Head, 1992–2019



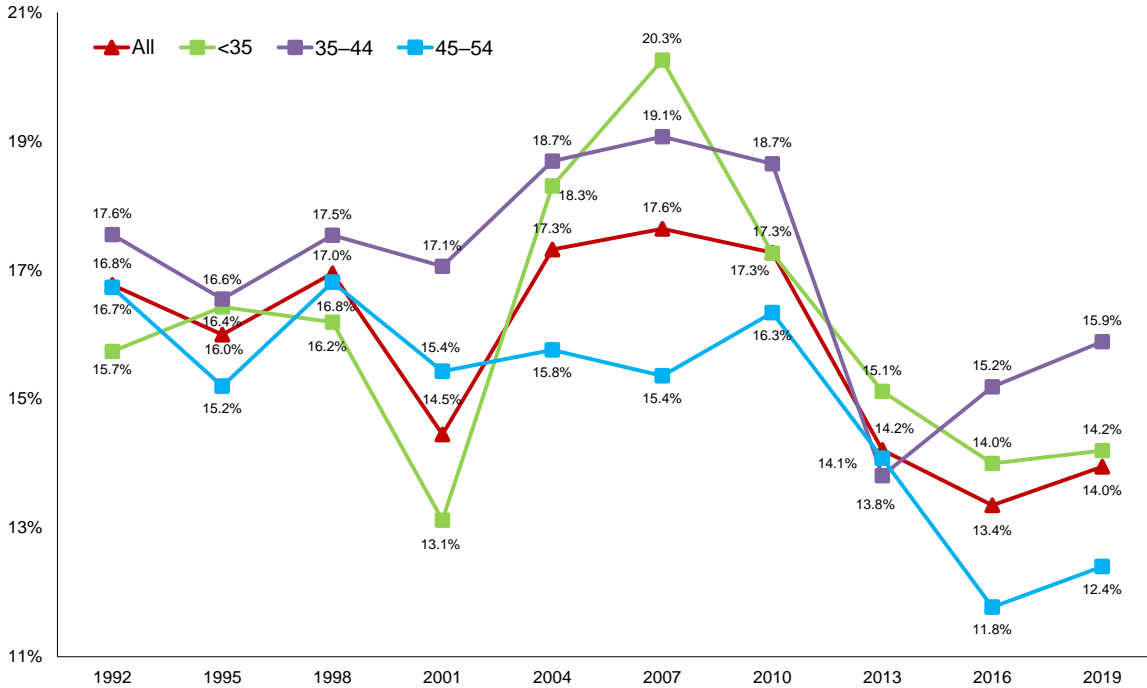
Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Not only was the percentage with debt higher for the families with younger heads, but the percentage of income that was represented by debt was also higher. The debt-payment-to-income ratio for families with heads younger than age 55 was 14.0 percent in 2019 (Figure 16) compared with 9.2 percent for families with heads ages 55 or older (Figure 4). Furthermore, the percentage of families with debt payments in excess of 40 percent of their income was higher among all families with heads younger than age 55 than it was for the families with heads age 55 or older (8.1 percent in 2019 (Figure 17) vs. 6.5 percent (Figure 7)). However, families with heads ages 55–64 had a higher percentage with debt payments in excess of 40 percent of income than the families with heads younger than age 35 in 2019.

The changes in various debt measures from 2010 to 2019 moved in the same direction among families with heads younger than age 55 and those with heads ages 55 or older. The exception was the median credit card debt, which decreased for the families with younger heads and increased for those with older heads (Figure 18). Furthermore, except for the increased incidence of debt overall and of credit card debt, the debt measures improved across both groups of families. Both the median debt-to-asset ratios of those having debt and the debt as a percentage of assets showed marked improvement in both groups. Specifically, the median debt-to-asset ratio of those having debt among families with heads ages younger than 55 declined from 55.2 percent in 2010 to 47.8 percent in 2019, while the percentage for families with older heads fell from 19.6 percent to 16.5 percent. Clearly, the families with older heads were in a better position relative to debt. However, it is important to keep in mind that the incomes of families with

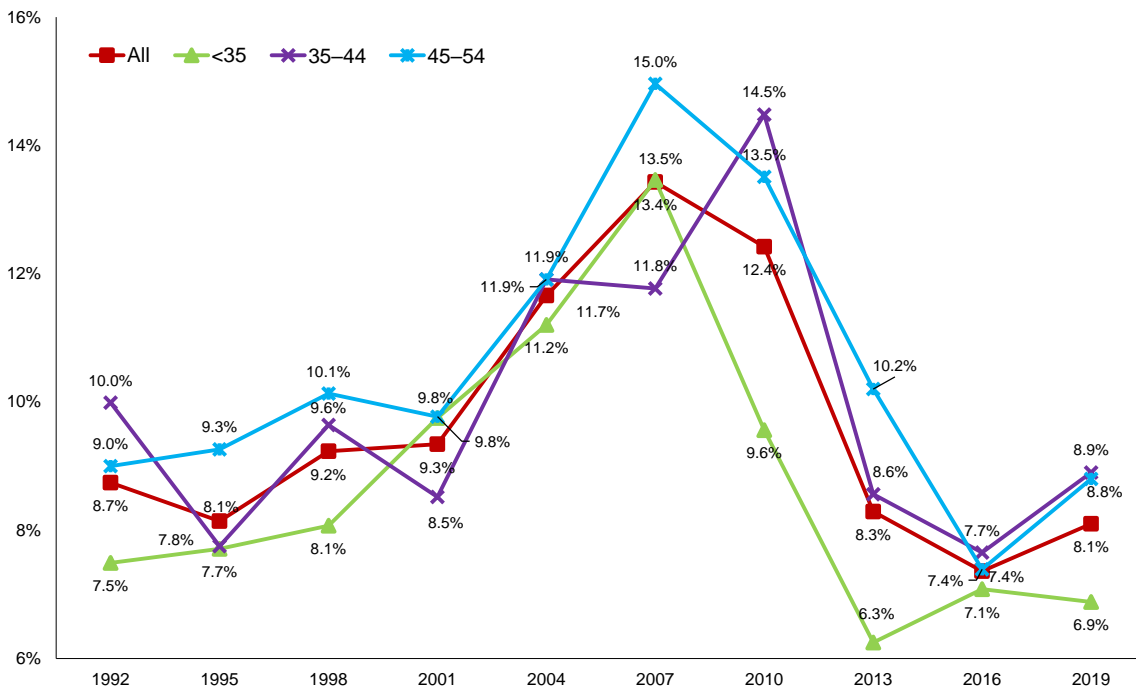
older heads are not likely to grow, and in many cases they decline. Thus, families with older heads should have a better handle on debt, or they will be in an even worse financial situation as the family heads continue to age.

Figure 16
Total Debt Payments as a Percentage of Income Among Families With Heads Younger Than Age 55, by Age of Family Head, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Figure 17
Percentage of Families With Heads Ages 54 or Younger With Debt Payments Greater Than 40 Percent of Income, by Age of Family Head, 1992–2019



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Figure 18

Comparison of Various Debt Statistics Between Families With Heads Ages 55 or Older and of Those With Heads Ages Younger Than 55, 2010 and 2019

Category	Heads Ages Younger Than 55		Heads Ages 55 or Older	
	2010	2019	2010	2019
Percentage With Debt	82.5%	83.5%	63.4%	68.4%
Average Debt	\$131,562	\$128,085	\$88,245	\$82,481
Median Debt of Those Having Debt	\$96,377	\$87,550	\$65,272	\$44,350
Total Debt Payments as a Percentage of Income	17.3%	14.0%	11.4%	9.2%
Percentage With Debt Payments Greater Than 40% of Income	12.4%	8.1%	8.5%	6.5%
Debt as a Percentage of Assets	27.9%	23.1%	8.4%	6.8%
Median Debt-to-Asset Ratio of Those Having Debt	55.2%	47.8%	19.6%	16.5%
Percentage With Housing Debt	50.4%	44.9%	42.0%	39.0%
Percentage With Credit Card Debt	43.5%	49.8%	33.0%	40.0%
Median Housing Debt of Those Having It	\$142,562	\$154,000	\$96,375	\$97,000
Median Credit Card Debt of Those Having It	\$3,299	\$2,500	\$2,856	\$3,000

Source: Employee Benefit Research Institute estimates from the 2010 and 2019 Survey of Consumer Finances.

Note: All dollar amounts are in 2019 dollars.

The trouble spot across both groups is the increased incidence of credit card debt. This could put both groups in a situation where debt piles up if the families only pay the minimum amount due. In addition, holding more of this debt going into retirement makes funding retirement more difficult. Thus, credit card debt levels need to be monitored in future years of the survey, especially in light of the pandemic.

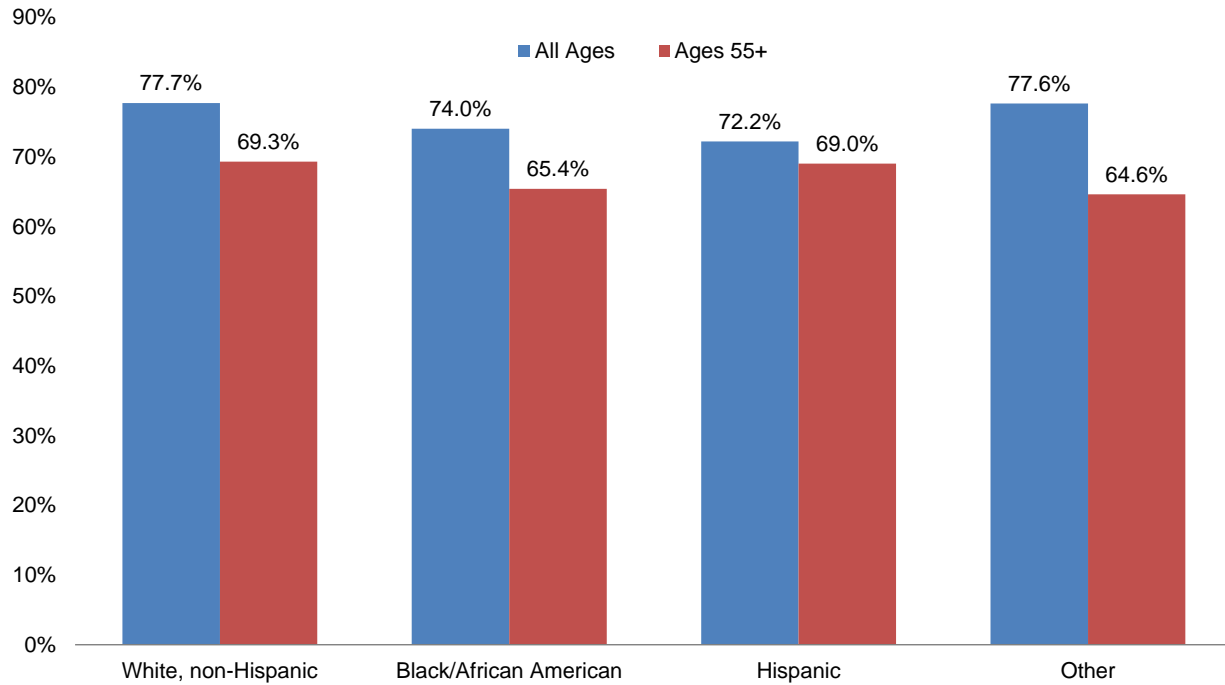
Comparisons Between Families With Heads of Different Races/Ethnicities

An issue that has seen increased attention during 2020 is the racial financial wealth gap in the U.S. This generally focuses on the asset side of the ledger, but liabilities or debt also play a role in the financial wealth of U.S. families. This section addresses the differences in debt among families with heads of different races and ethnicities. The categories from the SCF are self-identified and include white, non-Hispanic; Black/African American; Hispanic; and other, which consists of those races/ethnicities not defined in the three prior categories, such as Asian Americans and those who identify as multiracial.

The incidence of debt overall in 2019 was not markedly different among families with heads of different races/ethnicities. For all families with white, non-Hispanic heads, 77.7 percent had debt compared with 72.2 percent for all families with a Hispanic head (Figure 19). A similarly narrow range emerged for families with heads ages 55 or older: 69.3 percent of families with white, non-Hispanic heads had debt, compared with 64.6 percent of families with “other” heads.

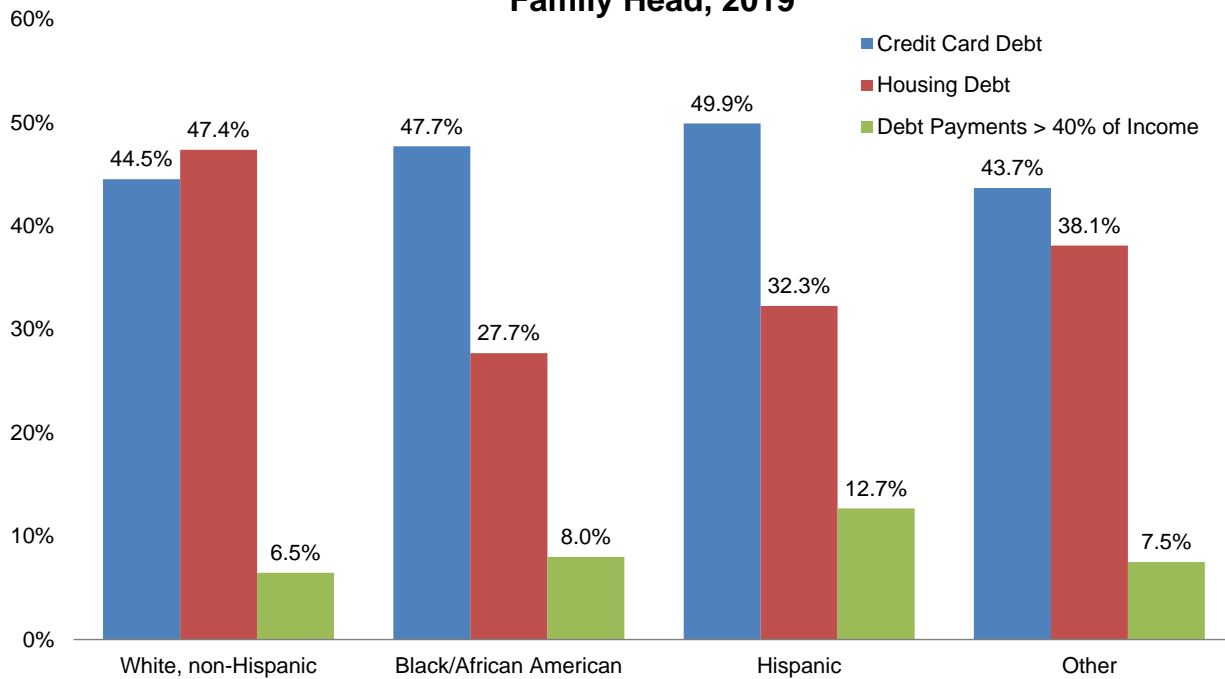
In terms of the types of debt, families with Black/African American or Hispanic heads had a similar likelihood of having credit card debt compared with families with white, non-Hispanic heads. However, they had significantly lower probabilities of having housing debt (Figure 20). In other words, the debt of the families with minority heads is more likely the result of consumer debt, not housing debt. Housing debt, of course, can be viewed as an investment, as it could result in families building wealth through homeownership. Furthermore, families with minority heads, particularly those with Hispanic heads, were more likely to have debt payments more than 40 percent of their income. Whereas 12.7 percent of the families with Hispanic heads exceeded the 40 percent threshold, just 6.5 percent families with white, non-Hispanic heads did so.¹¹

Figure 19
Percentage of All Families and Families With Heads Ages 55 or Older Having Debt, by Race/Ethnicity of the Family Head, 2019



Source: Employee Benefit Research Institute estimates from the 2019 Survey of Consumer Finances.

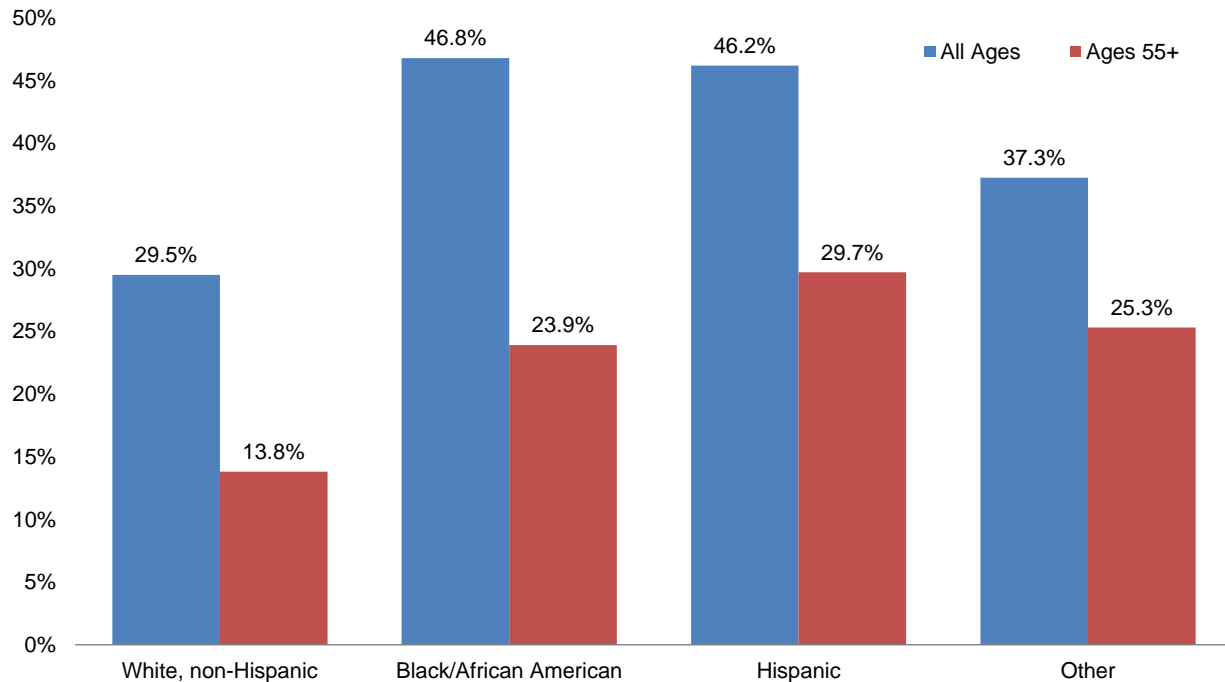
Figure 20
Percentage of All Families With Credit Card Debt, Mortgage Debt, and Debt Payments Greater Than 40% of Income, by Race/Ethnicity of the Family Head, 2019



Source: Employee Benefit Research Institute estimates from the 2019 Survey of Consumer Finances.

While the overall incidence was similar, the median debt-to-asset ratios across the families of the different races/ethnicities were not. For all families with white, non-Hispanic heads having debt, the median debt-to-asset ratio was 29.5 percent. This ratio was much higher at 46.8 percent for families with Black/African American heads and 46.2 percent for families with Hispanic heads (Figure 21). A similar disparity arose for families with heads ages 55 or older, but the debt-to-asset ratios were lower across each family category. Consequently, the relatively higher debt compared with assets is playing a role in the financial wealth gap among the races/ethnicities.

Figure 21
Median Debt-to-Asset Ratio of All Families and Families with Heads Ages 55 or Older Having Debt, by Race/Ethnicity of the Family Head, 2019



Source: Employee Benefit Research Institute estimates from the 2019 Survey of Consumer Finances.

Conclusion

Since 2010, the overall debt situation of American families with heads ages 55 or older has improved. However, families with the oldest heads — ages 75 or older — did not experience this overall improvement. Indeed, in the most recent years, these families with the oldest heads saw increases in their incidence of debt, their median housing and credit card debt, and their debt as a percentage of their assets. This has important ramifications for retirement security. As families with family heads reaching the oldest ages, their ability to offset debt with other sources of assets or income tends to decline.

An important time to start good financial habits is when individuals are working. While a similar improvement in the debt situation of families with heads younger than age 55 occurred since 2010, the indicators show that a significant share of these families with the younger heads have an issue with debt. Not being able to pay bills leads to stress, and stress leads to reduced ability to concentrate and subsequently lower productivity. This has resulted in the introduction of financial wellbeing programs by employers to help employees reduce stress associated with their finances, which could translate to higher productivity. While these programs are in their infancy for the most part, they at least show signs of helping the individuals that engage with them, if not quite making that link to improved productivity. Regardless of the exact linkages, the need for improved financial management is definitely there. Help with financial wellbeing may not only benefit workers while they work, but the skills learned could be carried over to retirement to potentially address the growing issue of debt in older ages.

These issues are even more pertinent to families with minority heads, as they have higher debt levels relative to assets than the families with white, non-Hispanic heads. With the gap in financial wealth between races coming to the forefront, these problems cannot be ignored, particularly when these groups are growing as a share of the population and are essential to an overall highly productive work force.

Understanding the incidence of and trends in debt helps to better evaluate the financial security of American families now and potentially into the future. However, further evaluation of the impact of financial wellbeing programs is needed to see what programs have the desired outcome of reducing or controlling debt. Also, additional research on the drivers of the differences in assets and debts between ages and races/ethnicities are needed. Finally, examination of the impact of any potential policy changes on retirement security will always be warranted.¹² This study provides building blocks for the further research that is needed to evaluate and hopefully improve the long-term financial security of American families. This will be even more germane after the impact of the pandemic is fully realized.

Appendix

Appendix Figure 1
Average Total Debt and Median Total Debt for Families With Heads Ages 55 or Older With Debt,
by Various Characteristics, 1992–2013

Category	Average						Median With Debt					
	1992	1998	2001	2007	2010	2013	1992	1998	2001	2007	2010	2013
All	\$39,733	\$54,548	\$55,984	\$86,865	\$88,245	\$80,401	\$19,654	\$34,924	\$33,211	\$53,079	\$65,272	\$52,604
Age of Family Head												
55–64	69,063	97,397	94,092	132,047	126,138	113,319	35,735	55,168	50,538	74,113	90,250	69,516
65–74	30,216	43,954	50,414	85,916	83,505	77,741	8,934	18,861	18,916	49,536	52,548	47,772
75 or older	10,532	12,280	12,945	16,100	32,294	26,006	5,718	12,700	7,220	16,047	35,346	21,964
Race of Family Head												
White, non-Hispanic	39,827	56,264	56,849	88,751	94,621	86,111	21,441	36,936	31,478	58,757	70,692	59,303
Black/African American	27,616	34,527	36,430	65,994	52,713	49,976	9,202	18,861	28,879	34,563	47,128	25,259
Hispanic	32,991	53,013	46,584	74,886	64,861	55,130	24,121	26,720	11,234	63,263	37,702	35,801
Other	83,224	76,347	96,967	100,907	92,108	88,560	11,793	30,083	61,368	20,985	64,294	44,796
Family Income Quartile												
Low est 25%	5,882	7,393	6,913	20,278	26,831	22,627	2,501	4,872	4,621	11,110	14,174	11,333
26%–50%	12,310	21,159	21,193	25,039	40,336	36,756	7,326	15,717	14,728	21,651	34,168	26,027
51%–75%	27,130	44,473	36,149	83,458	80,066	75,208	1,954	47,781	28,879	75,298	71,870	57,106
Highest 25%	114,495	149,098	158,036	221,672	207,293	187,924	71,649	93,519	125,624	192,566	153,166	160,337
Family Status												
Married	59,662	78,383	76,369	132,950	125,073	114,242	29,696	47,781	40,431	91,346	86,009	82,025
Single male	36,235	60,346	48,508	56,109	52,189	68,081	18,225	48,724	37,543	24,960	41,237	37,339
Single female	13,607	20,002	22,240	33,687	46,651	36,410	6,093	13,674	12,996	22,219	37,702	26,357
Education of Family Head												
Below HS diploma	15,337	14,090	16,237	24,088	29,888	27,256	7,415	12,731	12,447	24,688	20,029	25,259
HS diploma	25,051	30,542	28,142	49,139	52,370	45,704	13,311	29,863	23,118	24,811	44,772	31,496
Some college	53,813	62,833	48,241	88,109	85,539	75,110	33,573	47,152	30,323	67,892	67,157	47,508
College degree	89,922	128,498	135,842	172,848	157,523	148,469	46,456	78,587	103,965	145,659	128,506	128,819
Net Worth Percentile												
Low est 25%	7,944	18,033	20,645	31,188	44,816	50,499	4,199	10,059	9,357	16,047	23,564	19,603
25%–49%	15,963	38,584	26,486	62,929	66,282	54,660	11,453	32,378	21,515	49,376	64,212	43,928
50%–75%	27,144	30,415	45,458	72,999	54,507	62,657	27,105	39,294	49,961	56,782	51,805	51,615
75%–90%	45,872	50,742	63,268	96,810	128,843	100,761	49,314	58,155	47,651	111,096	121,944	109,161
Top 10%	200,993	252,300	233,986	305,944	277,403	233,377	72,542	132,027	179,051	265,396	270,986	231,720
Working Status of Family Head												
Works for												
someone else	57,527	81,032	77,910	131,193	116,698	115,323	31,911	51,868	46,698	94,493	83,063	74,612
Self-employed	172,494	167,550	166,886	223,930	221,439	196,212	71,649	50,296	88,081	120,971	132,548	131,784
Retired	17,830	24,979	23,352	37,618	42,827	40,776	10,631	15,875	14,440	24,688	38,998	30,201
Other Nonwork	16,156	36,410	24,568	153,226	96,488	97,160	4,896	23,576	7,220	60,609	61,655	66,990

Source: Employee Benefit Research Institute estimates from the 1992, 1998, 2001, 2007, 2010, and 2013 Survey of Consumer Finances.

Note: All dollar amounts are in 2019 dollars. Net worth percentiles and family income quartiles are for the families with heads ages 55 or older, not for all families.

Appendix Figure 2
**Total Debt as a Percentage of Assets, Percentage With Debt, and Median Total Debt-to-Asset Ratio
for Those With Debt, Families With Heads Ages 55 or Older, by Various Characteristics, 1992–2013**

Category	Debt as a Percent of Assets						Percent With Debt						Median Debt to Asset Ratio ^a						
	1992	1998	2001	2007	2010	2013	1992	1998	2001	2007	2010	2013	1992	1998	2001	2007	2010	2013	
All	7.1%	7.2%	5.8%	7.4%	8.4%	8.1%	53.8%	53.0%	56.0%	63.0%	63.4%	65.4%	10.1%	12.8%	12.1%	16.0%	19.6%	19.6%	
Age of Family Head																			
55–64	10.2	10.4	8.1	10.3	10.7	11.5	71.4	76.3	76.2	81.7	77.6	78.5	15.6	17.6	14.9	18.8	22.8	24.3	
65–74	5.6	5.6	4.9	6.4	7.7	6.3	51.5	51.9	57.0	65.2	65.0	66.4	5.3	8.8	9.3	14.9	15.9	14.3	
75 or older	2.6	2.4	1.9	2.0	4.0	3.7	31.9	25.0	29.0	31.2	38.5	41.3	5.2	5.5	4.7	8.3	14.6	13.9	
Race of Family Head																			
White, non-Hispanic	6.4	6.7	5.2	6.8	7.7	7.2	51.6	51.8	54.8	60.7	62.3	64.7	9.1	12.1	10.1	14.6	17.9	16.5	
Black/African American	17.1	19.4	17.6	21.0	21.7	28.0	63.1	57.4	58.3	74.5	65.4	70.0	13.9	18.0	20.8	25.1	30.6	34.7	
Hispanic	17.4	10.3	14.4	13.9	17.6	21.9	66.1	71.1	64.1	63.2	70.0	66.7	15.0	14.7	19.3	32.1	23.7	36.9	
Other	13.8	13.9	13.2	11.1	12.0	13.7	63.6	54.4	69.3	76.3	67.9	64.7	9.9	38.0	23.7	14.6	27.5	30.8	
Family Income Quartile																			
Low est 25%	6.5	5.3	6.5	8.9	11.0	10.4	36.0	31.2	35.9	44.2	44.6	44.8	7.7	9.2	15.0	14.6	30.1	29.4	
26%–50%	6.4	7.3	7.1	6.4	9.9	12.8	52.6	48.9	52.7	54.6	58.3	63.5	10.1	11.4	12.6	13.7	23.9	22.2	
51%–75%	6.7	9.4	6.2	12.6	12.4	14.2	58.1	59.7	61.4	75.4	73.3	77.2	8.6	17.1	13.4	22.8	20.3	22.0	
Highest 25%	7.4	6.8	5.5	6.5	7.1	6.4	68.6	72.9	72.4	78.5	77.7	76.4	11.6	13.0	10.5	14.4	15.7	13.8	
Family Status																			
Married	7.4	7.2	5.5	7.5	8.2	7.5	62.8	62.6	63.7	72.4	71.3	73.8	10.5	12.5	10.8	15.9	17.7	17.8	
Single male	7.8	8.2	6.8	6.8	7.4	9.7	43.6	46.8	54.9	54.6	52.9	57.4	12.9	17.5	17.5	15.4	19.8	21.2	
Single female	5.5	6.6	6.4	7.7	11.1	10.5	45.1	42.0	42.4	53.1	55.7	57.0	7.5	13.1	11.1	16.7	26.4	24.4	
Education of Family Head																			
Below HS diploma	8.0	7.2	6.8	8.4	12.4	13.9	45.0	41.0	46.1	44.8	52.4	51.0	10.9	12.0	14.4	22.9	27.6	30.2	
HS diploma	6.5	6.8	5.9	9.6	11.1	12.2	55.8	47.6	53.6	63.6	59.5	62.0	7.4	13.5	13.9	14.6	21.8	21.5	
Some college	7.8	8.3	6.3	10.0	12.2	10.5	53.2	64.6	59.1	70.7	70.8	73.7	12.9	14.6	9.6	18.9	26.6	22.7	
College degree	6.9	7.0	5.5	6.3	6.8	6.6	66.5	64.9	66.5	67.7	67.6	69.5	9.7	11.9	11.7	14.9	14.8	13.8	
Net Worth Percentile ^b																			
Low est 25%	32.2	45.2	45.3	57.4	85.3	93.8	48.3	48.6	56.0	57.5	59.5	64.1	24.0	40.6	42.7	59.3	76.0	80.4	
25%–49%	12.3	21.5	15.0	25.4	32.5	30.7	53.1	59.9	56.5	66.9	71.1	69.6	9.9	19.4	14.0	22.5	32.4	27.6	
50%–75%	9.0	8.3	9.8	13.3	11.9	15.0	56.3	45.6	54.1	64.2	60.1	64.4	9.1	10.8	11.4	11.4	12.0	12.8	
75%–90%	7.0	6.5	5.8	8.2	10.3	9.3	54.4	52.1	54.9	60.2	62.3	66.6	7.3	7.0	4.8	9.1	10.6	9.2	
Top 10%	5.8	5.1	3.7	3.9	4.1	3.5	62.5	66.8	61.2	68.6	63.8	59.0	3.4	4.1	4.7	5.2	5.9	5.7	
Working Status of Family Head																			
Works for someone else	10.1	13.5	10.9	12.9	12.6	13.6	78.5	80.5	79.2	80.9	81.9	80.9	13.0	17.9	15.8	22.6	24.6	22.8	
Self-employed	8.8	6.6	6.2	5.6	6.9	5.3	71.1	74.2	73.5	79.5	77.7	78.9	11.3	10.8	10.4	9.2	12.9	12.8	
Retired	4.7	4.5	3.2	4.8	6.4	6.4	44.7	38.7	42.8	49.6	49.2	53.8	8.0	9.0	8.6	11.7	18.1	18.3	
Other Nonw ork	4.9	9.9	4.0	13.0	22.8	25.2	37.3	37.7	22.7	84.1	78.5	80.4	5.8	16.5	4.0	26.0	40.6	48.9	

Source: Employee Benefit Research Institute estimates from the 1992, 1998, 2001, 2007, 2010, and 2013 Survey of Consumer Finances.

^aThis includes only those who have debt.

^bNet worth percentiles and family income quartiles are for the families with heads ages 55 or older, not for all families.

Endnotes

¹ See Craig Copeland, "Individual Account Retirement Plans: An Analysis of the 2019 Survey of Consumer Finances." *EBRI Issue Brief*, forthcoming for a discussion of asset accumulation estimates from the 2019 Survey of Consumer Finances. For prior years, see Craig Copeland, "Individual Account Retirement Plans: An Analysis of the 2016 Survey of Consumer Finances," *EBRI Issue Brief*, no. 445 (Employee Benefit Research Institute, March 13, 2018).

² See Craig Copeland, "Debt of the Elderly and Near Elderly, 1992–2016," *EBRI Issue Brief*, no. 443 (Employee Benefit Research Institute, March 5, 2018); Craig Copeland, "Debt of the Elderly and Near Elderly, 1992–2013," *EBRI Notes*, vol. 36, no. 1 (Employee Benefit Research Institute, January 2015): 10–22; Craig Copeland, "Debt of the Elderly and Near Elderly, 1992–2010," *EBRI Notes*, vol. 34, no. 2 (Employee Benefit Research Institute, February 2013): 2–15; Craig Copeland, "Debt of the Elderly and Near Elderly, 1992–2007," *EBRI Notes*, vol. 30, no. 10 (Employee Benefit Research Institute, October 2009): 2–14; Craig Copeland, "Debt of the Elderly and Near Elderly, 1992–2004," *EBRI Notes*, vol. 27, no. 9 (Employee Benefit Research Institute, September 2006): 1–13; and Craig Copeland, "Debt of the Elderly and Near Elderly, 1992–2001," *EBRI Notes*, vol. 25, no. 4 (Employee Benefit Research Institute, April 2004): 1–13 for prior examinations of debt among this age group.

³ See Bhutta, Neil et al., "Changes in U.S. Family Finances from 2016 to 2019: Evidence from the Survey of Consumer Finances." *Federal Reserve Bulletin*, vol. 106, no. 5 (September 2020): 1–42, <https://www.federalreserve.gov/publications/files/scf20.pdf> (last reviewed December 2020) for more information on the Survey of Consumer Finances.

⁴ Appendix 1 contains the trend back to 1992. The average and median debts increased considerably from 1992, when they were \$39,733 and \$19,654, respectively.

⁵ All dollar amounts in this report are in 2019 dollars.

⁶ While the average and median debt levels decreased from 2010, they increased substantially from 1992, growing 107.6 percent and 125.7 percent, respectively.

⁷ Although the families may be in a better financial position after debt decreases, this does not mean that they are in an "ideal" financial position.

⁸ Appendix 2 contains the trends back to 1992.

⁹ The overall average debt as a percentage of assets was lower in 2019 at 6.8 percent compared with 7.1 percent in 1992. However, the median debt-to-asset ratio (of those having debt) in 2019 was well above the 1992 level (10.1 percent vs. 16.5 percent).

¹⁰ However, these 2019 ratios were well above their 1992 levels, except for families with the highest incomes, with the highest net worths, and with heads who had a college degree.

¹¹ For an examination of all aspects of finances by race/ethnicity from the 2019 Survey of Consumer Finances, see Bhutta, Neil et al., "Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances," FEDS Notes. Washington: Board of Governors of the Federal Reserve System, September 28, 2020, <https://doi.org/10.17016/2380-7172.2797> (last reviewed December 2020).

¹² In other work by the Employee Benefit Research Institute, the Retirement Security Projection Model[®] (RSPM) has been used to show the impact of various retirement public policy proposals on the retirement security of American workers. For example, see VanDerhei, Jack, "How Much More Secure Does the SECURE Act Make American Workers: Evidence From EBRI's Retirement Security Projection Model," *EBRI Issue Brief*, no. 501 (Employee Benefit Research Institute, February 20, 2020) and VanDerhei, Jack, "CARES Act: Implications for Retirement Security of American Workers," *EBRI Issue Brief*, no. 509 (Employee Benefit Research Institute, July 30, 2020).

EBRI Issue Brief is registered in the U.S. Patent and Trademark Office. ISSN: 0887–137X/90 0887–137X/90 \$.50+.50

© 2020, Employee Benefit Research Institute–Education and Research Fund. All rights reserved.