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# 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.

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## 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.

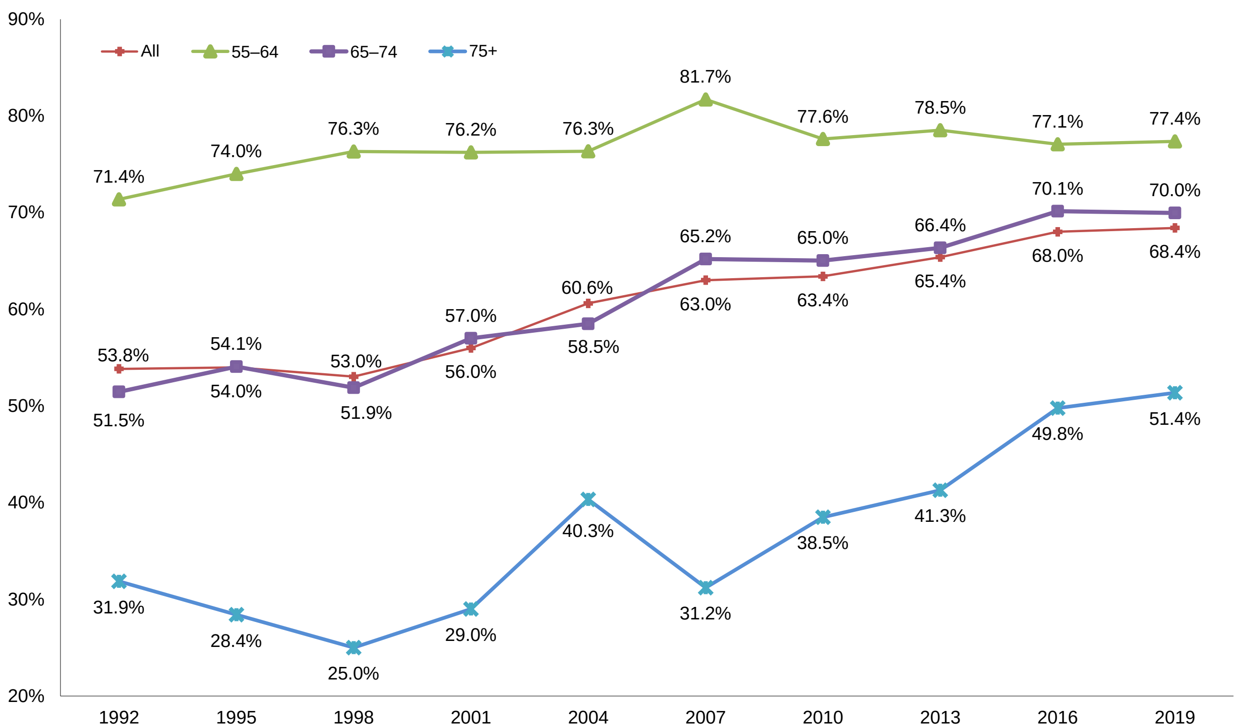
## Youngest and Highest-Income Families Most Likely to Have Debt

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.

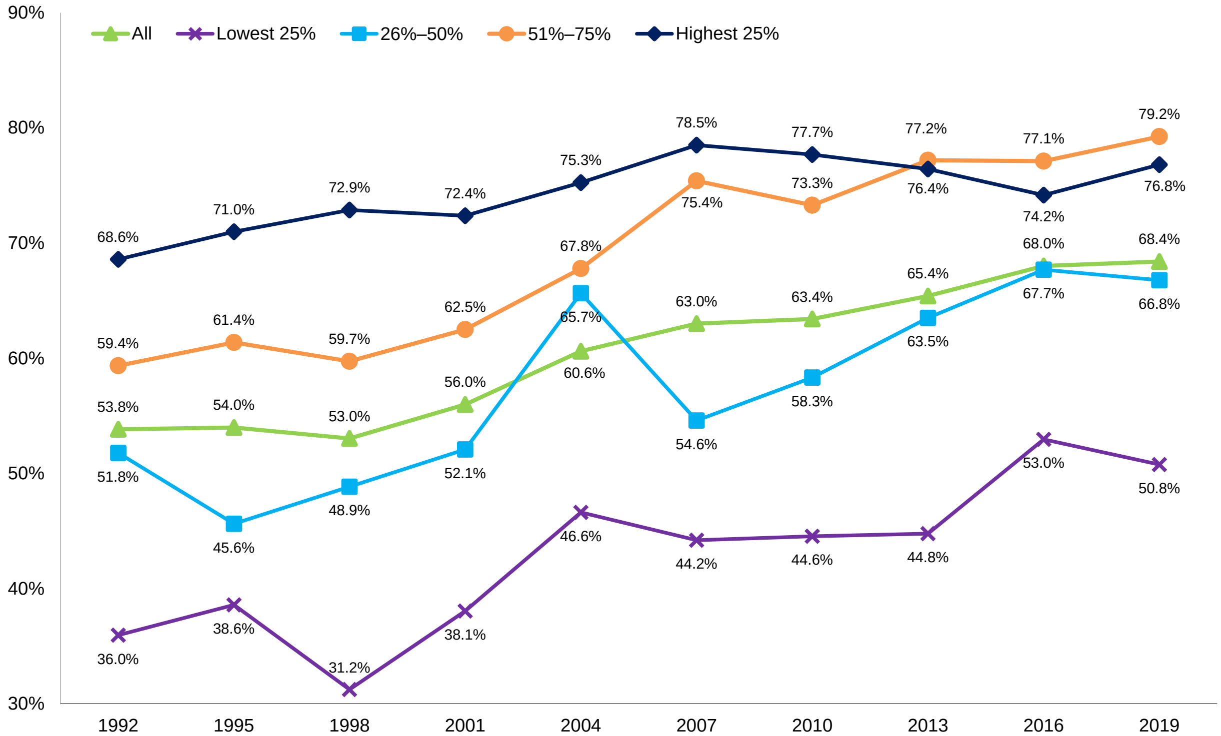
Figure 1
**Percentage of Families With Heads Ages 55 or Older With Debt, by Age of Family Head, 1992–2019**




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 2010 | Average 2016 | Average 2019 | Median With Debt 2010 | Median With Debt 2016 | Median With Debt 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 |

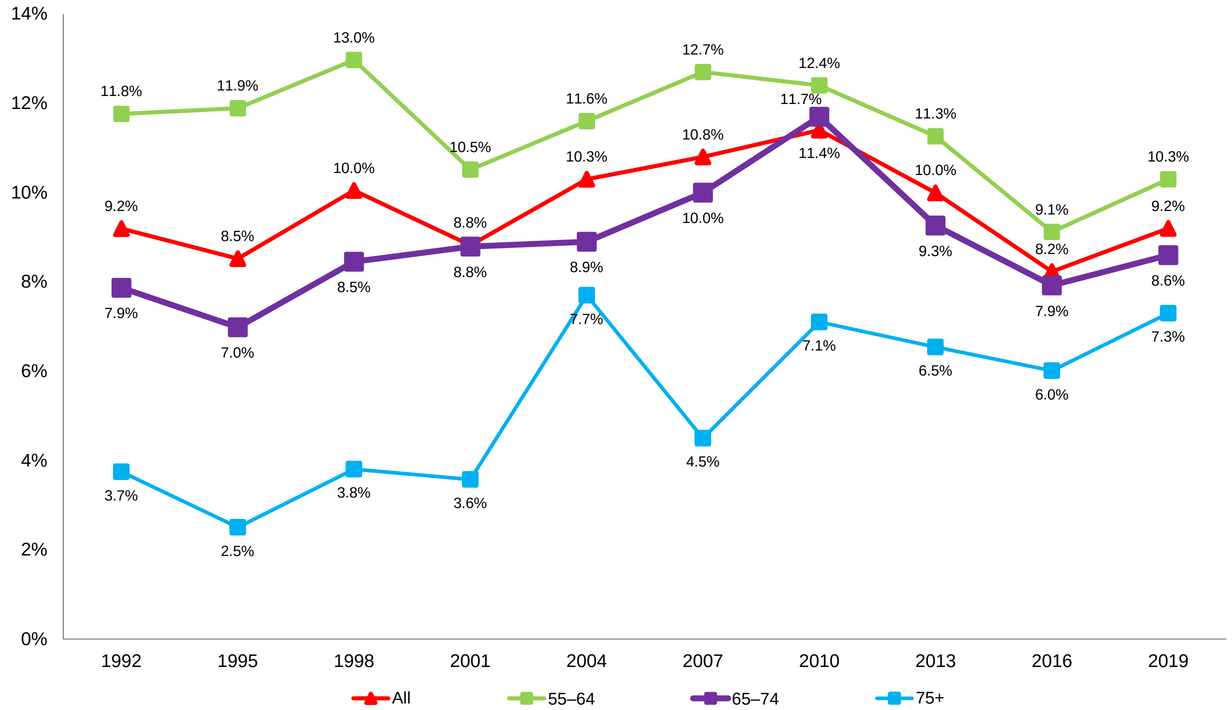
Source: Employee Benefit Research Institute estimates from the 2010, 2016, and 2019 Survey of Consumer Finances.
Note: All dollar amounts are in 2019 dollars. Net worth percentiles and income quartiles are for the families with a head ages 55 or older, not for all families.

## 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.

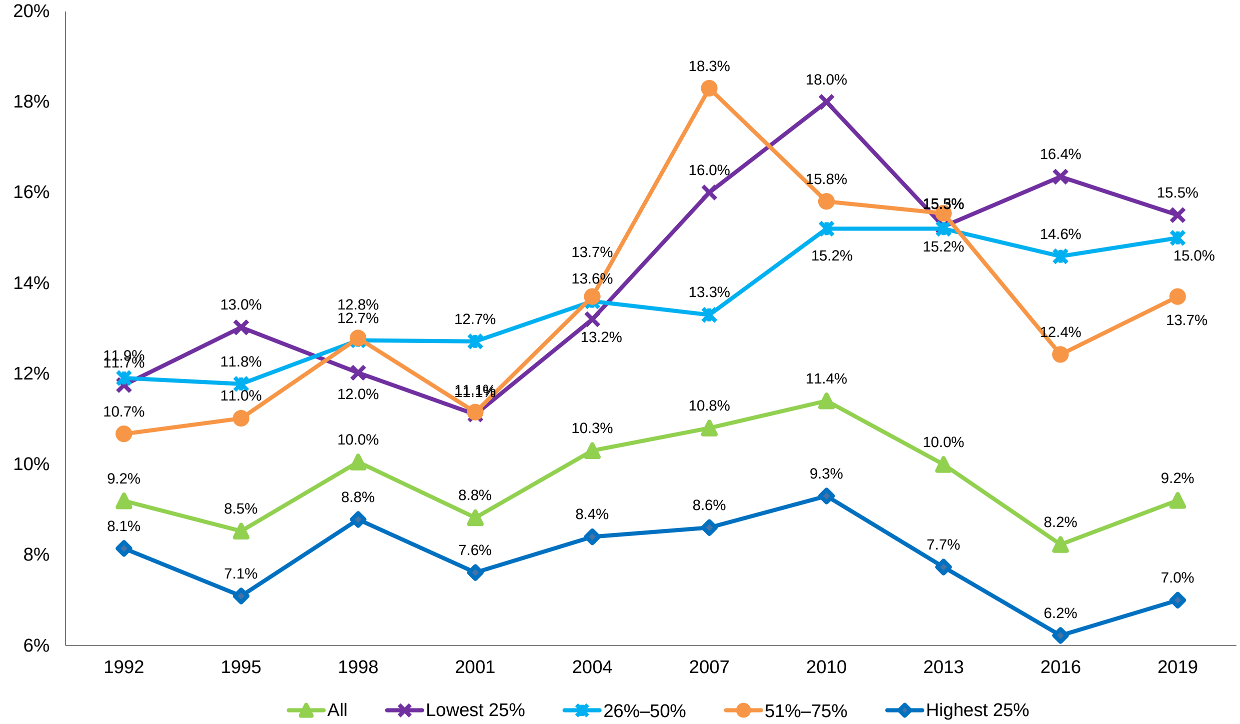
Figure 4
**Total Debt Payments as a Percentage of Income Among Families With Heads Ages 55 or Older, by Age of Family Head, 1992–2019**




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.

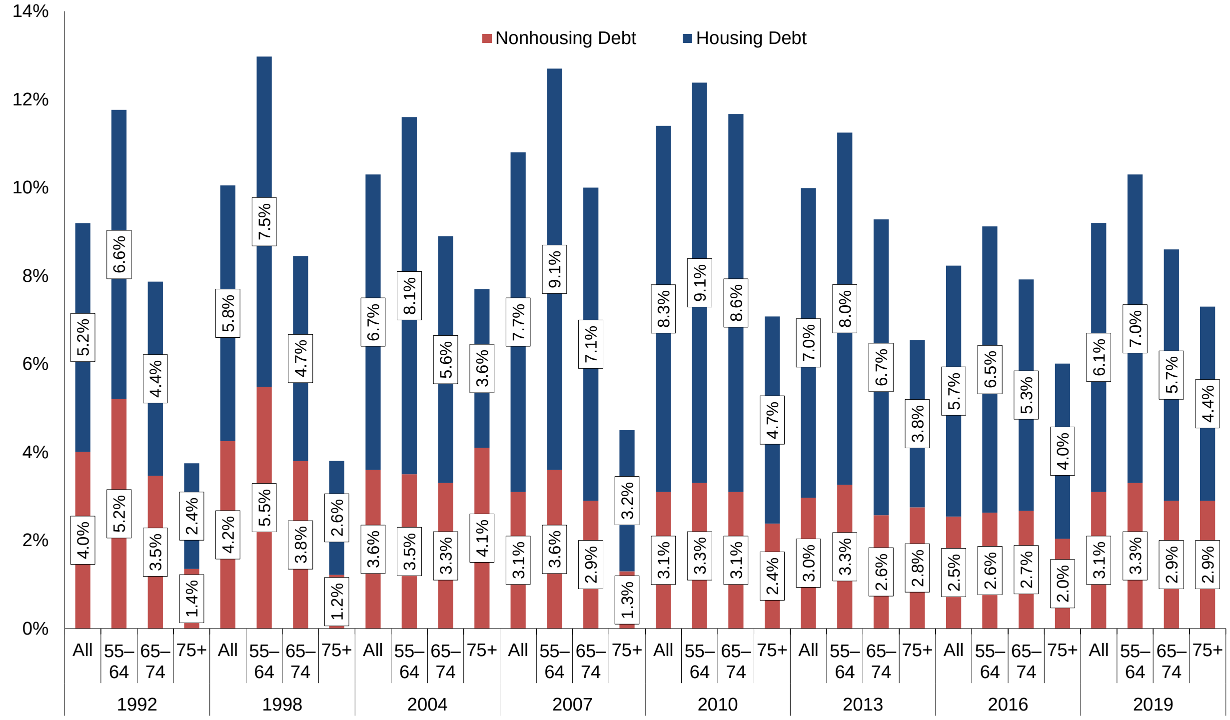
## Nonhousing Debt Percentages Increased in 2019

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.

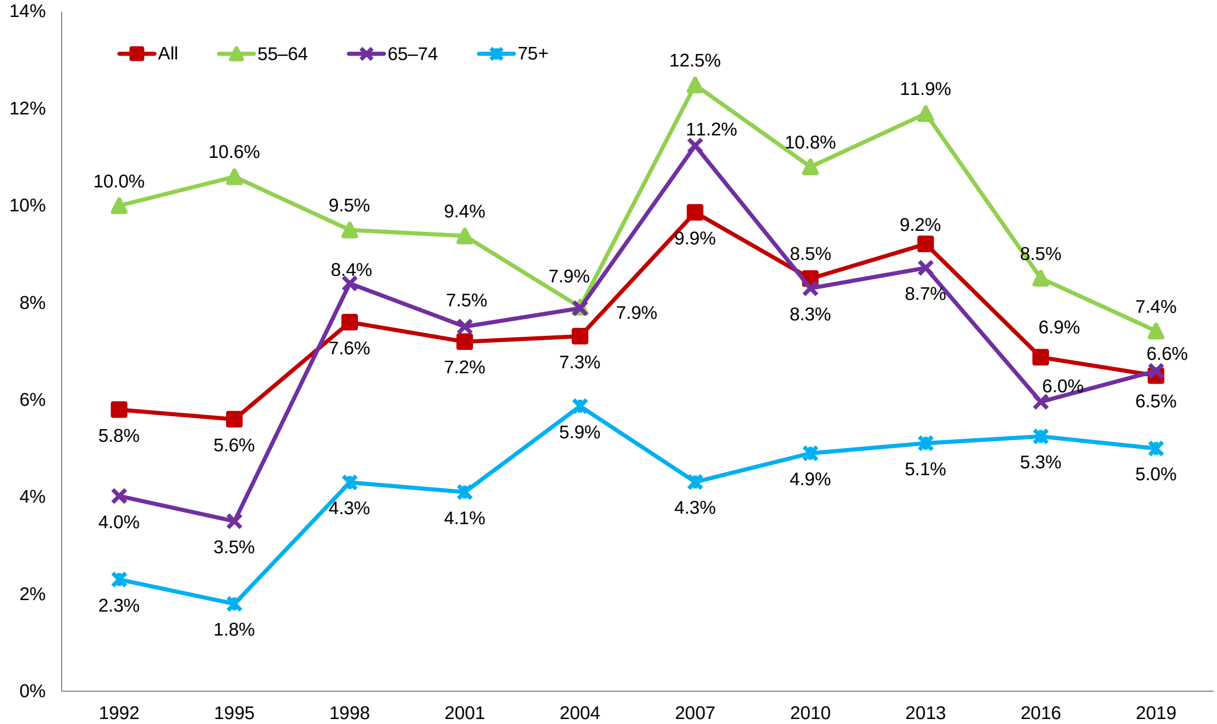
## Excessive Debt Levels Generally on the Decline

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**

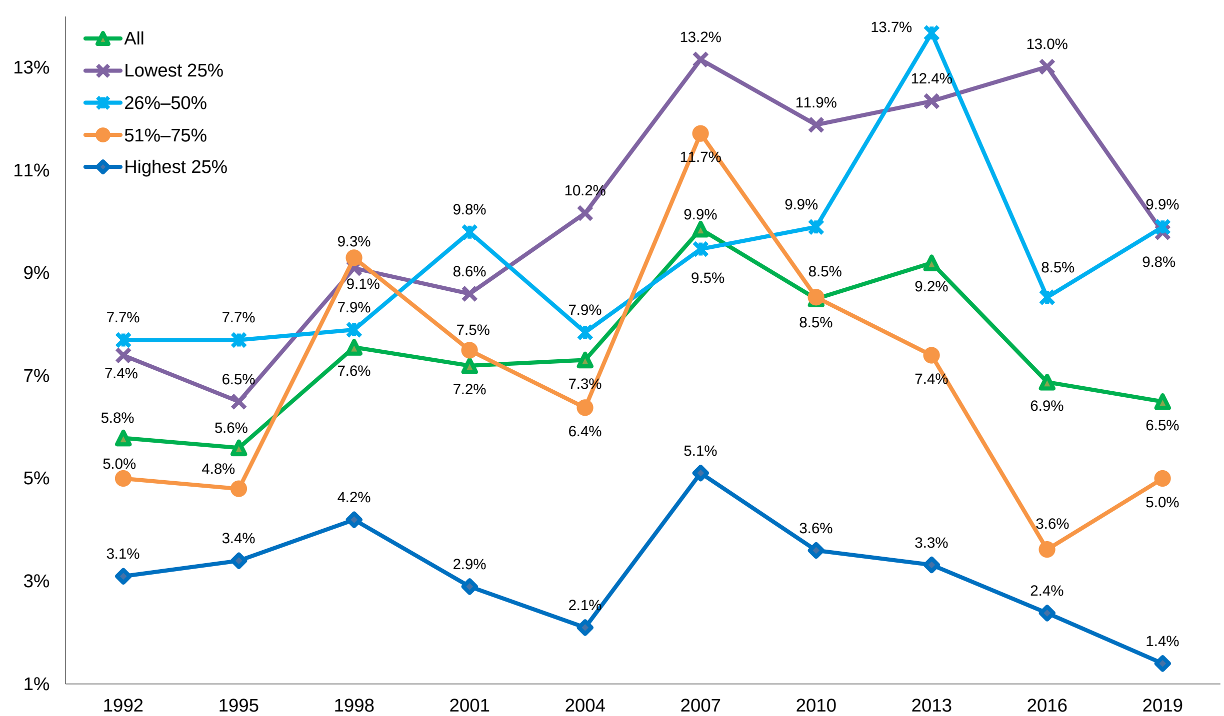



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

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.

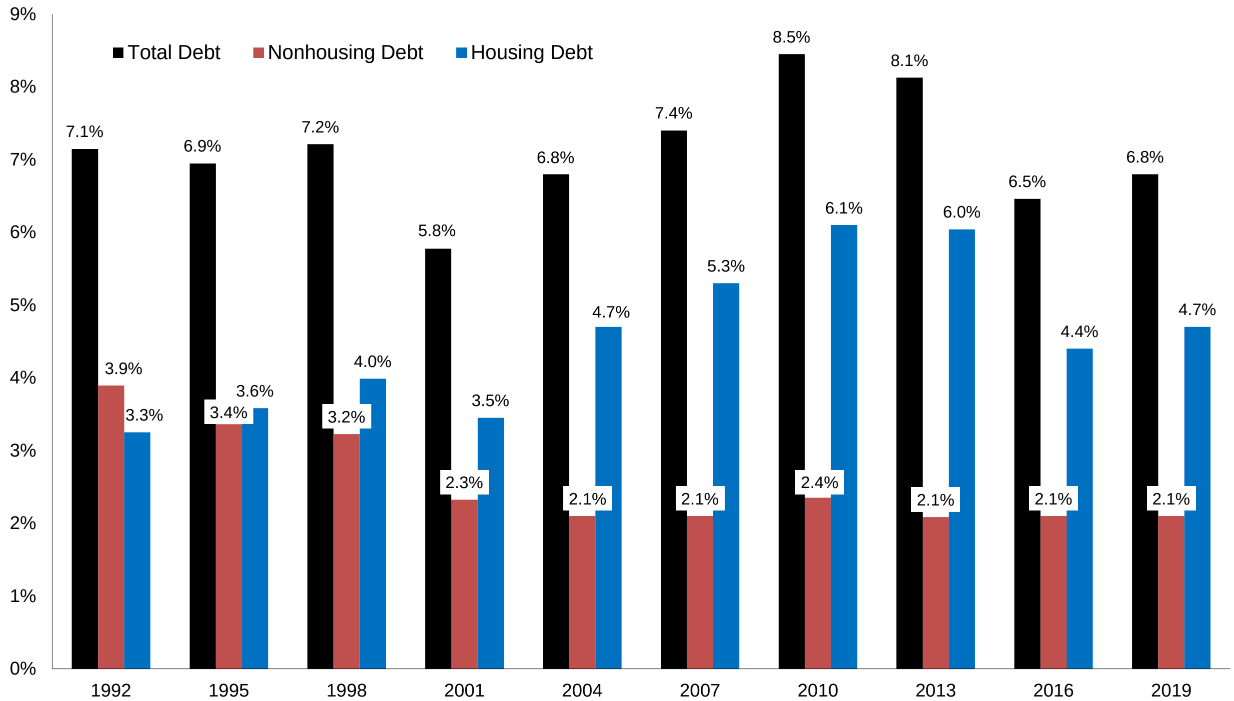
In 2019, families in the middle two income quartiles experienced an increase in the proportion of those with debt payments greater than 40 percent of their income, while families in the lowest and highest income quartiles experienced decreases. In fact, the share of families in the second income quartile (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**

| | Debt as a Percentage of Assets | | | Percentage With Debt | | | Median Debt-to-Asset Ratio[a] | | |
|---|---|---|---|---|---|---|---|---|---|
| **Category** | 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.

[a] This includes only those who have debt.

[b] Net 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

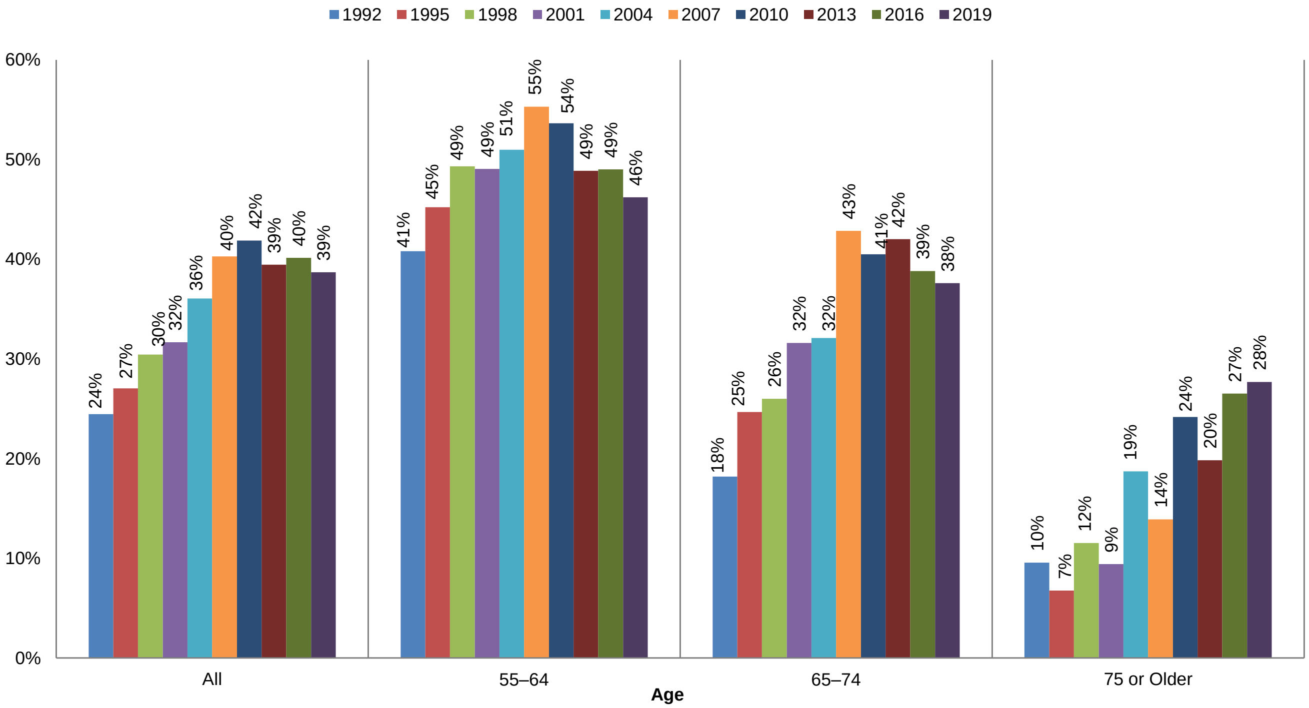
During the study period, the proportion of families with heads ages 55 or older bearing housing debt increased steadily, from 24 percent in 1992 to 42 percent in 2010. Since then, it has remained in a range between 39 percent and 42 percent (Figure 11). In contrast, the percentage with credit card debt 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.

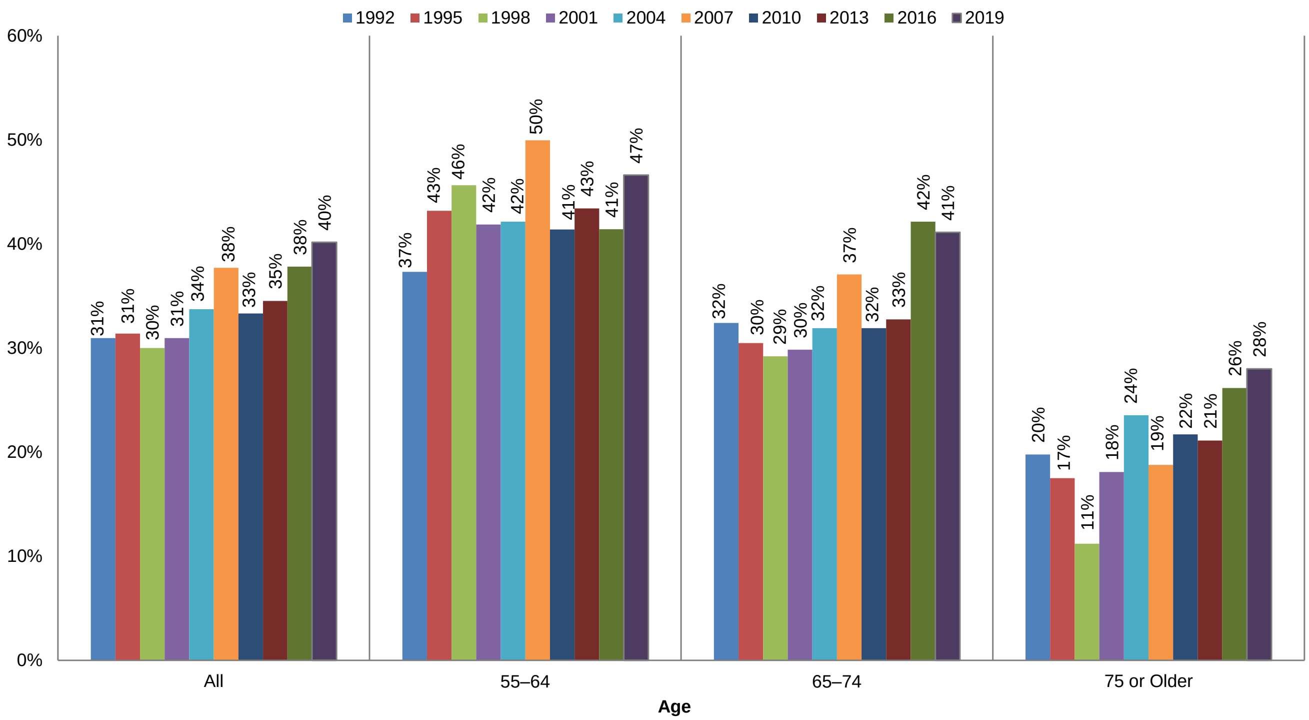
Not only did the percentage of families with heads ages 55–64 and ages 75 or older experience an increase in the prevalence of credit card debt from 2016 to 2019, but the median amount of their credit card debt also increased. Furthermore, while the 2019 median was still substantially below its peak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



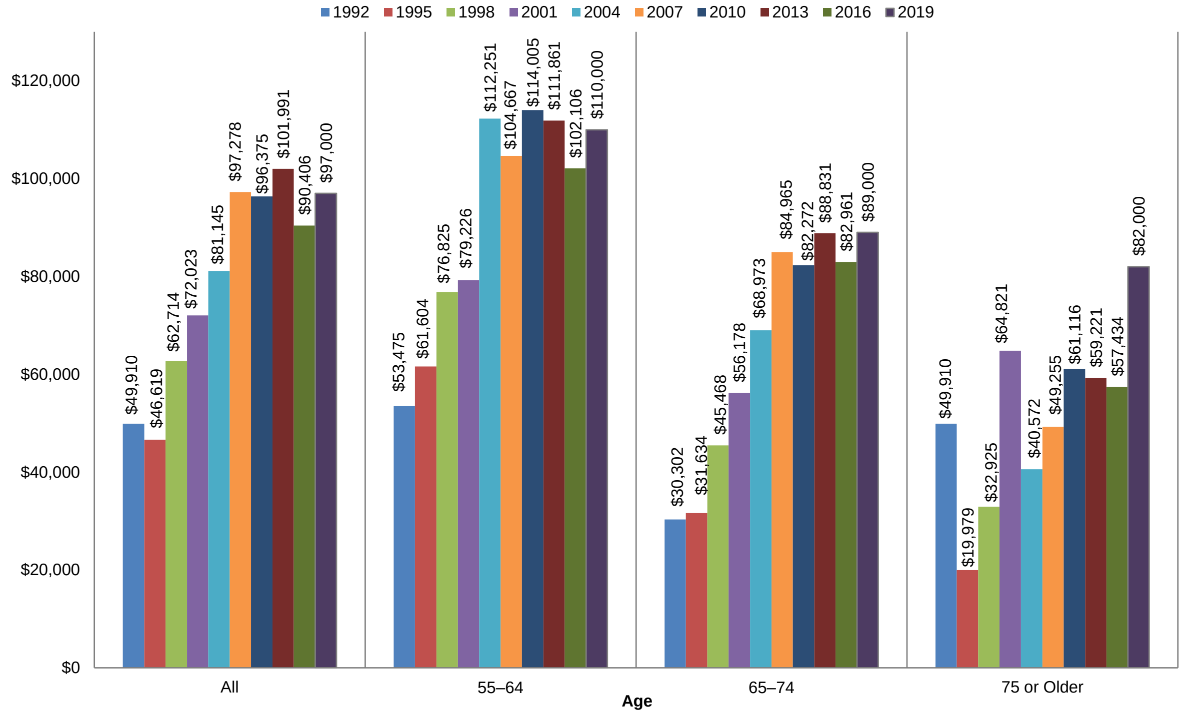

Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

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



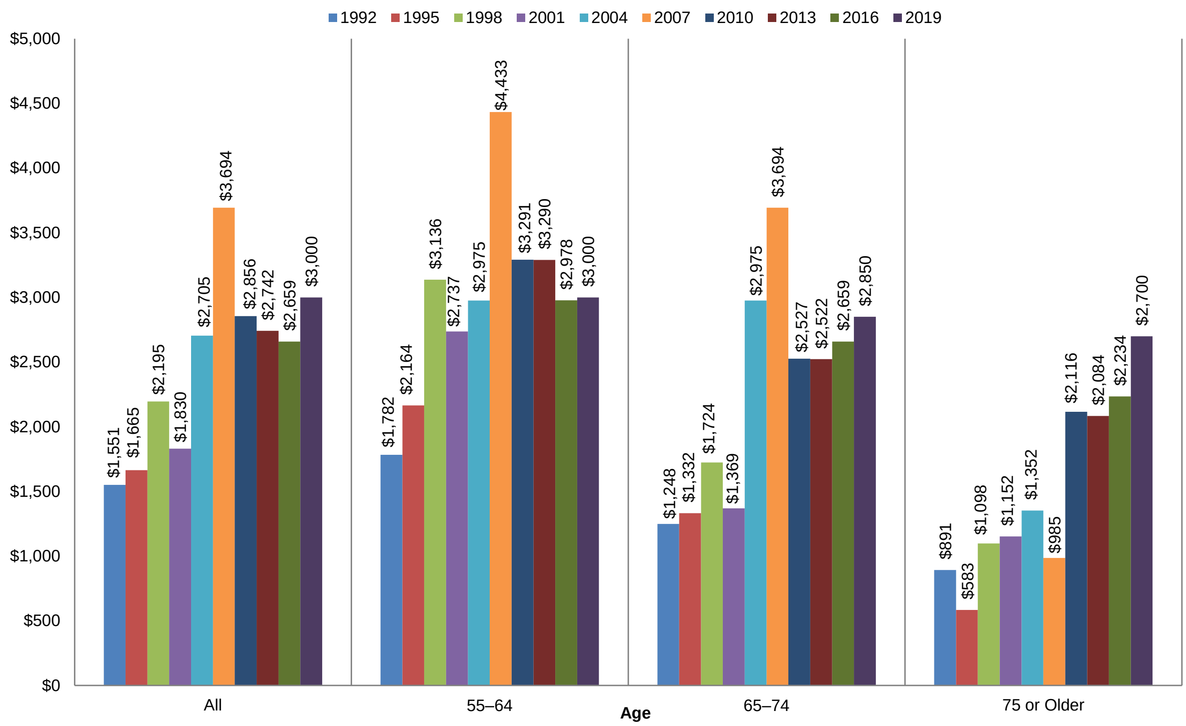

Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

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**

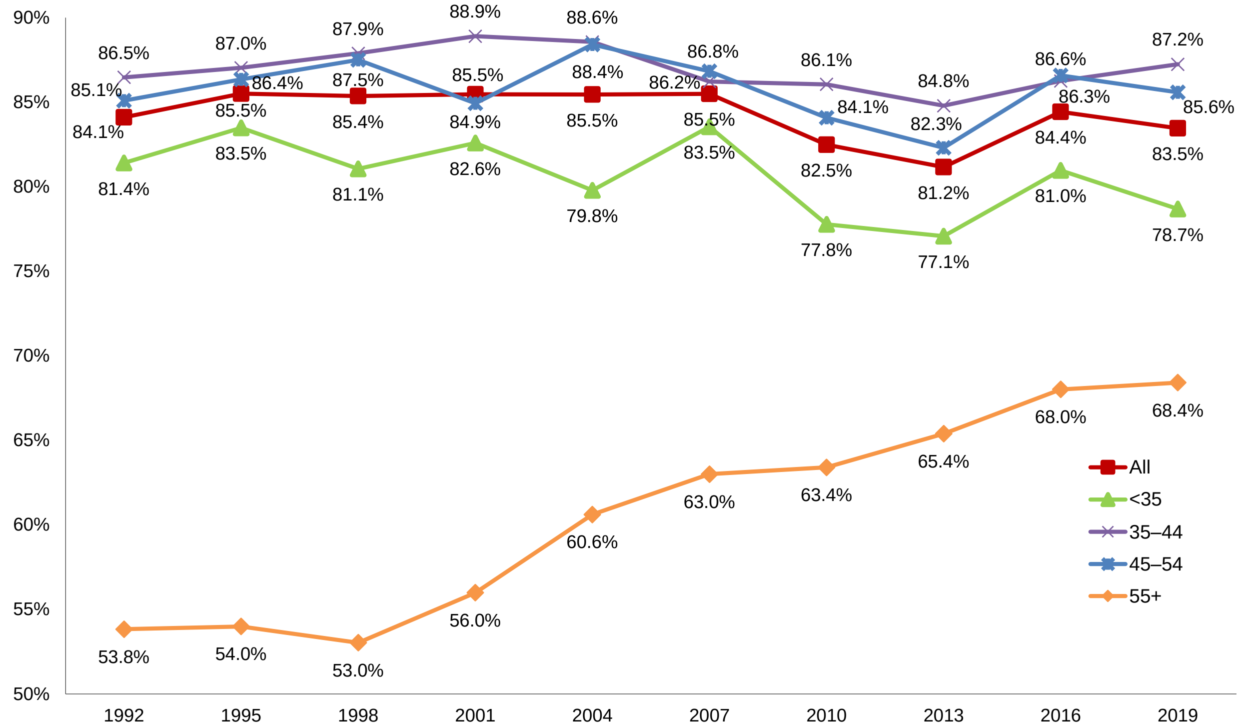



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.
Note: All dollar figures are in 2019 dollars.

## 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**

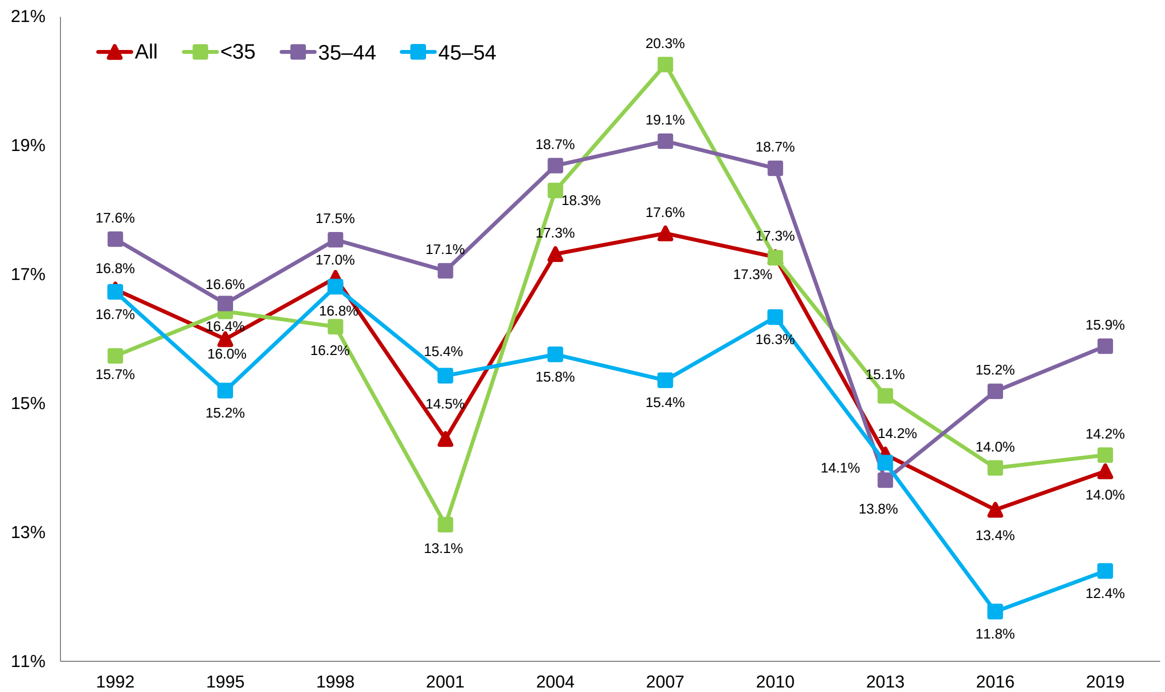



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

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.

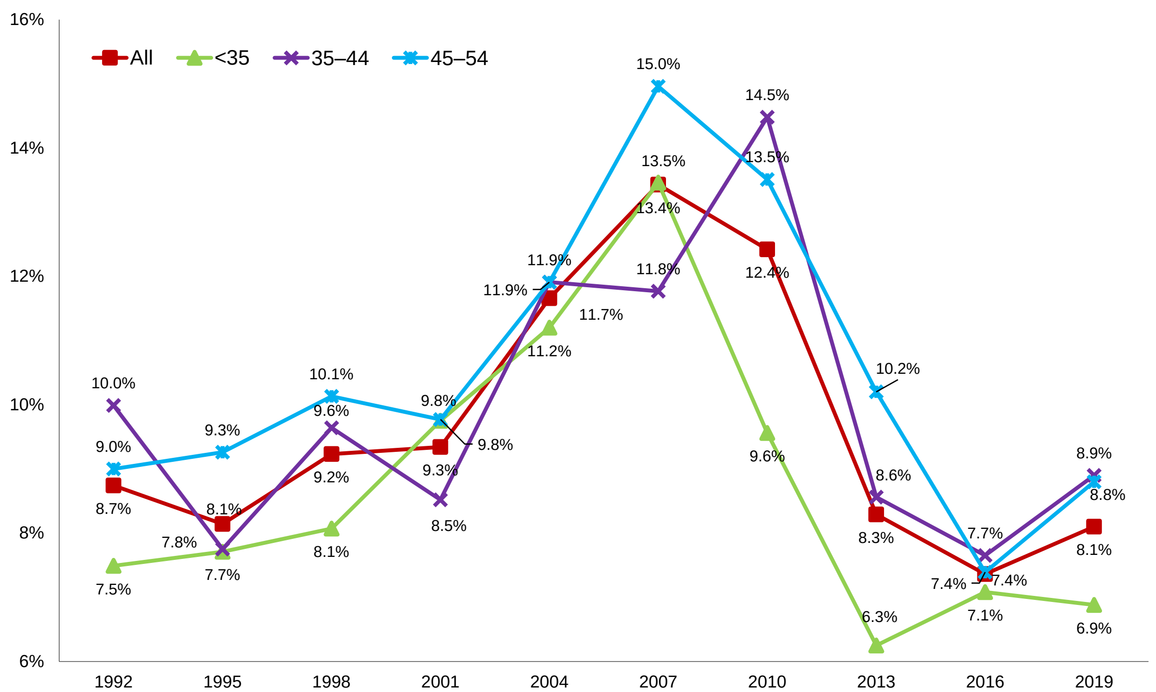
The changes in various debt measures from 2010 to 2019 moved in the same direction among families with heads younger than age 55 and those with heads ages 55 or older. The exception was the median credit card debt, which decreased for the families with younger heads and increased for those with older 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**

| | Heads Ages Younger Than 55 | | Heads Ages 55 or Older | |
|---|---|---|---|---|
| **Category** | 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.

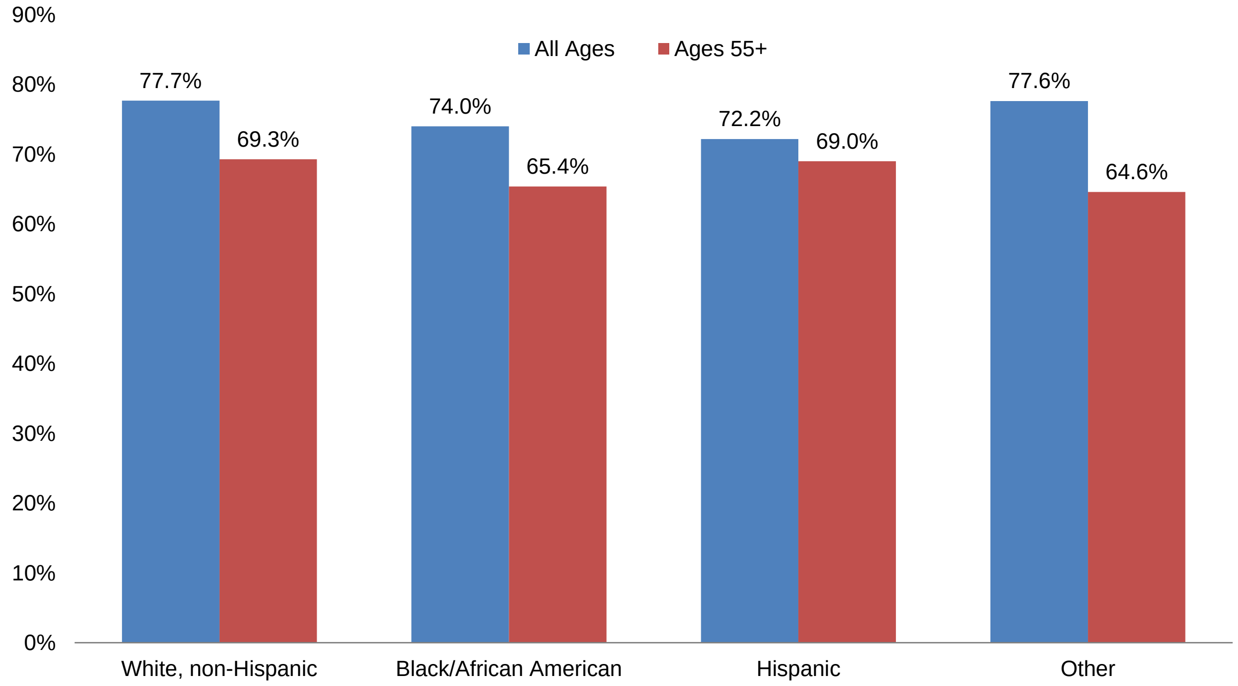
## Comparisons Between Families With Heads of Different Races/Ethnicities

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.

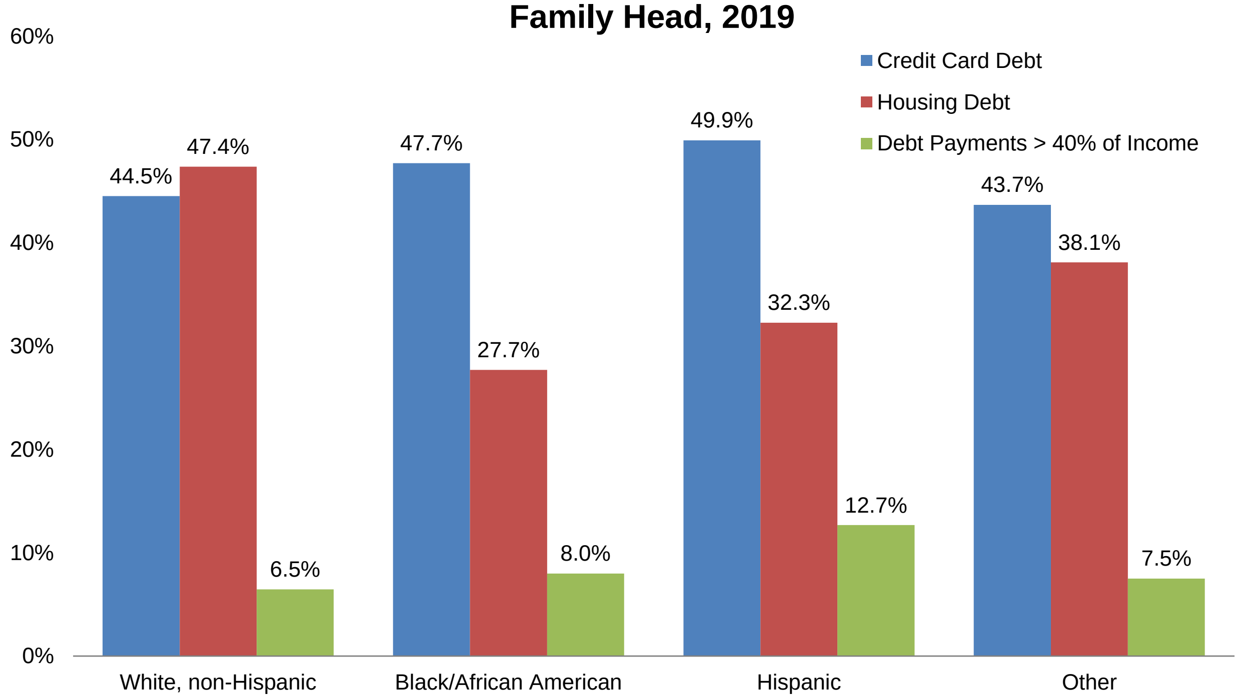
In terms of the types of debt, families with Black/African American or Hispanic heads had a similar likelihood of having credit card debt compared with families with white, non-Hispanic heads. However, they had significantly lower probabilities of having housing debt (Figure 20. In other words, the debt 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.

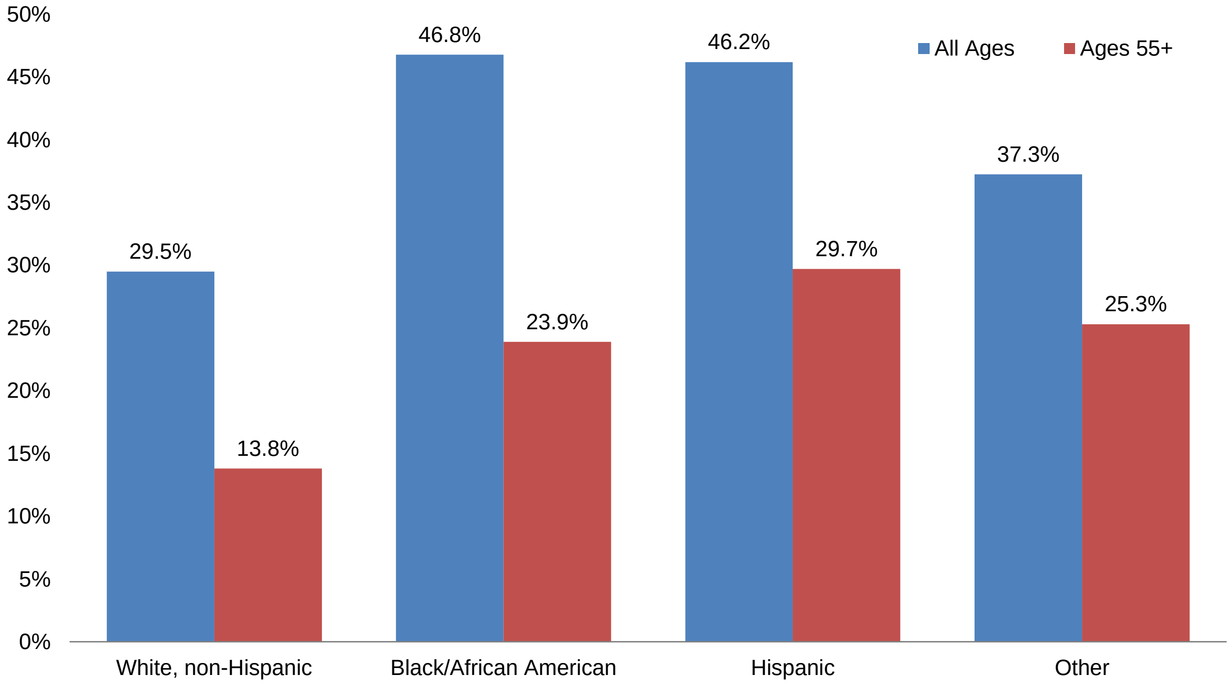
Figure 20
**Percentage of All Families With Credit Card Debt, Mortgage Debt, and Debt Payments Greater Than 40% of Income, by Race/Ethnicity of the Family Head, 2019**




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**

| | Average | | | | | | Median With Debt | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Category** | 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 | | | | | | | | | | | | |
| Lowest 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 | | | | | | | | | | | | |
| Lowest 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**

| | Debt as a Percent of Assets | | | | | | Percent With Debt | | | | | | Median Debt to Asset Ratio[a] | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Category** | 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 | | | | | | | | | | | | | | | | | | |
| Lowest 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] | | | | | | | | | | | | | | | | | | |
| Lowest 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 Nonwork | 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.

[a] This includes only those who have debt.

[b] Net 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).

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