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**New Research from EBRI:**

**More Older American Families Taking on Debt—  
And More With Problematic Debt Payment Levels**

WASHINGTON—A larger share of older American families had debt in 2013, and those with debt loads that are considered problematic also increased, according to a new report from the nonpartisan Employee Benefit Research Institute (EBRI).

The EBRI report finds that among American families with family heads ages 55 or older, debt has increased from 63.4 percent in 2010 to 65.4 percent in 2013, the latest for which data are available. Compared with the 1992 level of 53.8 percent, the 2013 level is up more than 10 percentage points.

Furthermore, the percentage of these families with debt payments greater than 40 percent of income—a traditional threshold measure of debt load trouble—increased in 2013 to 9.2 percent from 8.5 percent in 2010.

The primary cause of rising debt load: Americans' homes. "Housing debt drove the change in the level of debt payments in 2013, while the nonhousing (consumer) debt-payment share of income held stable from 2010," said Craig Copeland, EBRI senior research associate and author of the report. "Housing debt was the major component of debt for families headed by individuals ages 55 or older."

Copeland added: "The debt levels among those with housing debt have obvious and serious implications for the future retirement security of these Americans, perhaps most significantly that these families are potentially at risk of losing what is typically their most important asset—their home."

In contrast, the EBRI also found positive news in that certain other debt measures improved: Total debt payments as a percentage of income decreased from 11.4 percent in 2010 to 10.0 percent in 2013, and average debt decreased from \$80,465 in 2010 to \$73,211, while debt as a percentage of assets decreased from 8.5 percent in 2010 to 8.1 percent in 2013.

Also, the percentage of American families with the oldest family heads were the least likely to have had debt: in 2013, for example, 78.5 percent of families with heads ages 55–64 held debt,

compared with 41.3 percent of those with heads ages 75 or older. However, the percentage with debt increased from 2010 to 2013 for families headed by individuals in each age group studied:

- For those families with heads ages 55–64, the percentage with debt increased from 77.6 percent in 2010 to 78.5 percent in 2013.
- Among those families with heads ages 65–74, the percentage with debt increased from 65.0 percent to 66.4 percent.
- For those families with heads ages 75 or older, the increase was from 38.5 percent to 41.3 percent.

The full report, “Debt of the Elderly and Near Elderly, 1992–2013,” is published in the January *EBRI Notes*, online at [www.ebri.org](http://www.ebri.org)

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