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New Research from EBRI:

End-of-Life Finances for Older Americans

WASHINGTON—New research by the nonpartisan Employee Benefit Research Institute (EBRI) shows that a large percentage of individuals who died recently had little or no assets. Those who died relatively younger were even more likely to be in this situation.

“Households which lost family members at relatively younger ages were also the households with lower asset holdings and lower income,” said Sudipto Banerjee, EBRI research associate and author of the study. “Singles who died relatively early were in much worse financial condition than couples.”

Among the major findings in the EBRI report:

- For those who died at age 85 or above, 20.6 percent had no non-housing assets and 12.2 percent had no assets left.
- Among singles who died at or above age 85, 24.6 percent had no non-housing assets left and 16.7 percent had no assets left.
- Those who died at earlier ages were generally worse off financially: 29.8 percent of households which lost a member between ages 50 and 64 had no assets left.
- People who died earlier also had significantly lower household income than households with all surviving members.
- Among singles who died at ages 85 or above, 9.1 percent had outstanding debt (other than mortgage debt) and the average debt amount was \$6,368.
- The average net equity left in their primary residence for those who died at ages 85 or above was \$141,147 and \$83,471 for couple and single households, respectively.

The EBRI report takes a comprehensive look at the financial situation of older Americans at the end of their lives, in particular documenting the percentage of households with a member who recently died with very few assets (total assets as well as non-housing assets). It also documents their income, debt, home-ownership rates, net home equity, and dependency on Social Security.

The data for this study come from the University of Michigan’s Health and Retirement Study (HRS), which is sponsored by the National Institute on Aging, and is the most comprehensive national survey of older Americans. The study sample includes 1,189 individuals who responded to the 2010 surveys and died before the 2012 surveys. All the asset and debt numbers reported here are from 2010, when the participants were last interviewed before death. The income reported in 2010 corresponds to the 2009 calendar year income.

The full report, “A Look at the End-of-Life Financial Situation in America,” is published in the April 2015 *EBRI Notes*, online at www.ebri.org

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