

# Fast Facts from EBRI

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## Home Equity as a Percentage of Family Net Worth

WASHINGTON—How much does housing contribute to the net worth of American families?

A study by the nonpartisan Employee Benefit Research Institute (EBRI) shows that housing equity is a major contributor to the net worth of families, particularly for middle-income families with individual account retirement plans (such as IRAs and 401(k)s): Overall, the median home equity accounts for almost a third of net worth for these families. However, for families without individual account retirement plans, the median home equity accounts for less than 10 percent of net worth. The study is in the May 2006 *EBRI Issue Brief*, available at [www.ebri.org](http://www.ebri.org)

The following chart shows the mean (average) and median (mid-point, half above and half below) percentage of net worth attributable to home equity for various income categories for families both *with* and *without* individual accounts:

	With Any Type of Individual Account Retirement Plan Balance			Without Any Type of Individual Account Retirement Plan Balance		
	Mean (Average) Net Worth	Median (Mid-Point) Net Worth	Median Home Equity Percentage of Net Worth	Mean (Average) Net Worth	Median (Mid-Point) Net Worth	Median Home Equity Percentage of Net Worth
Total	\$702,225	\$217,400	31.6%	\$184,875	\$24,850	8.8%
Family Income						
less than \$10,000	486,375	156,910	7.8	45,604	2,620	0.0
\$10,000–\$24,999	205,405	100,880	37.0	65,349	10,700	0.0
\$25,000–\$49,999	229,879	95,800	35.0	106,424	31,820	25.4
\$50,000–\$99,999	367,643	185,300	32.9	319,345	117,200	42.0
\$100,000 or more	1,758,385	590,260	28.1	1,617,785	289,900	27.4
Age of Family Head						
<35	127,640	47,460	18.4	35,730	4,250	0.0
35–44	419,628	152,600	33.3	130,040	12,300	0.0
45–54	789,304	286,200	31.4	180,561	40,000	36.3
55–64	1,152,011	466,600	31.9	303,640	50,800	30.2
65–74	1,250,981	511,335	34.7	250,146	65,480	51.7
75+	912,747	344,550	47.4	371,666	125,500	59.8

Source: Employee Benefit Research Institute estimates of the 2004 Survey of Consumer Finances.

The study also makes these other points:

- For families *with* individual account retirement plans, the median home equity percentage of net worth increases with the age of the family head, starting at 18 percent for family heads under age 35 and reaching 47 percent for family heads 75 years old or older.
- For families *without* individual account retirement plans (such as IRAs or 401(k)s), the median home equity percentage of net worth is 9 percent. It is zero for younger family heads but reaches 60 percent for those 75 and older.

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