

Fast Facts from EBRI

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Breaking Down Debt by Income Levels for Older Families

WASHINGTON—Older families' debt levels increased from 2001 to 2004. How large was the increase? And how do debt levels differ by family income?

A study by the nonpartisan Employee Benefit Research Institute (EBRI) provides the answers. The study appeared in the September *EBRI Notes*, available at www.ebri.org

As the study notes, higher-income families can afford to take on debt than can lower-income families. The data show that the percentage of families with debt increased with family income—but that debt is growing fastest among the lowest-income families. Among the lowest-income families (with annual incomes of less than \$10,000), the share of those with debt rose from 27 percent in 2001 to 37 percent in 2004, a 10 percentage-point increase and more than any other income group.

By way of comparison, the percentage of families with debt who had incomes of \$100,000 or more increased by 3 percentage points, to 75 percent in 2004.

Here is a breakdown of debt by family income level for families with a family head age 55 or older:

Annual Family Income	Average Debt		Median Debt (mid-point)		Percentage With Debt		% -Point Increase
	2001	2004	2001	2004	2001	2004	
Less than \$10,000	\$3,030	\$13,767	\$1,576	\$2,500	27%	37%	+10
\$10,000–\$24,999	\$11,968	\$13,204	\$8,201	\$9,900	49%	50%	+1
\$25,000–\$49,999	\$21,449	\$32,535	\$14,789	\$25,700	58%	67%	+9
\$50,000–\$99,999	\$46,519	\$59,825	\$37,705	\$49,450	68%	68%	0
\$100,000 or More	\$163,723	\$173,708	\$127,812	\$163,500	72%	75%	+3

Source: *EBRI Notes*, September 2006 (all income/debt values are in 2004 dollars).

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