Older Households and the Ratio of Love to Debt

Using data from the Health and Retirement Study and the RAND HRS Family data, EBRI reports on debt among older households with a history of intra-family financial transfers.

**INTRA-FAMILY GIVING**

Older households with a history of helping family members financially are more likely to carry debt.

**Share of Households With Debt**

<table>
<thead>
<tr>
<th>Ages 50–64</th>
<th>Ages 65–74</th>
<th>Ages 75+</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>47%</td>
<td>30%</td>
</tr>
<tr>
<td>73%</td>
<td>59%</td>
<td>38%</td>
</tr>
</tbody>
</table>

**HOW MUCH SUPPORT IS TOO MUCH**

At the median, those 75 and older with debt transferred 44 percent of the value of their initial non-housing assets to family members. However, for such households who didn’t have debt, 27 percent of assets were transferred at the median.

**Median Ratio of Total Transfers Made to Initial Non-Housing Assets for Ages 75+**

- **Age 75+ With No Debt**: 27% of balance transferred
- **Age 75+ With Debt**: 44% of balance transferred

**HIGH, LOW, OR NO TRANSFER**

While the likelihood of having debt declines by age, those with high levels of family giving have the highest probability of and most persistent debt.

**Percentage With Debt, by Age and Intra-Family Transfer Status**

- High Transfers
- Low Transfers
- No Transfers

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1. Health and Retirement Study, public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740), Ann Arbor, MI (2014, 2015).
2. “Intra-family giving” is defined as giving money, helping pay bills, or covering specific types of costs such as those for medical care or insurance; schooling; or down payments for a home, rent, etc. to children or grandchildren. The financial help can be considered support, a gift, or a loan.
3. As of 2014, the last year available in the RAND HRS Family data.
4. Non-housing assets: sum of gross value of all other real estate and net value of vehicles owned; individual retirement accounts (IRAs), stocks, and mutual funds; checking, savings, and money market accounts; certificates of deposit (CDs), government savings bonds, Treasury bills, and bonds and bond funds; and any other source of wealth.
5. Low and high transfers are defined as having less and more than the median ratio of total transfer (made between ages 55 and 75) to non-housing assets at age 55, respectively.

**SOURCE:** Zahra Ebrahim, “The Impact of Rising Household Debt Among Older Americans,” EBRI Issue Brief, no. 502 (Employee Benefit Research Institute, March 12, 2020).