The Wealth of Households: 2019

Current Population Reports

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INTRODUCTION

This brief examines household wealth at the end of 2019 using the U.S. Census Bureau's 2020 Survey of Income and Program Participation (SIPP) public-use data.[1] It highlights differences in the rates of asset- and debt-holding and demonstrates significant variation in median household wealth by demographic and economic characteristics, such as education and income. By illustrating how wealth varies across U.S. households, this brief provides key insights into households' economic well-being.[2]

THE DISTRIBUTION OF HOUSEHOLD WEALTH

As it reflects the difference between the value of assets owned and debt owed, wealth can vary dramatically across households. For example, a household with few assets and a heavy debt load may have negative wealth in the tens of thousands of dollars. A household that owns its own home and has multiple retirement accounts may have positive wealth in the hundreds of thousands of dollars.

[1] This is the first wealth brief that uses public-use data. Previous wealth briefs (2017 and earlier) calculated estimates on restricted-use data. The change was made to ensure transparency and replicability.

[2] All estimates include households with negative wealth.

Key Concepts and Definitions

A **household** consists of a group of people occupying a housing unit together (group quarters such as dormitories, institutions, or nursing homes are excluded from the analysis). The householder is a person who owns or rents the housing unit (whose name appears on the deed or lease).

Wealth is the value of assets owned minus the debts owed. Therefore, wealth can be negative. The major assets not covered in this measure are equity in pension plans and the value of home furnishings.

Household wealth percentile is the dollar amount below which a given percentage of households fall. The 50th percentile is also referred to as the median.

What Is SIPP?

The Survey of Income and Program Participation (SIPP) is a nationally representative longitudinal survey administered by the U.S. Census Bureau that provides comprehensive information on the dynamics of income, employment, household composition, and government program participation. SIPP is also a leading source of data on economic well-being, family dynamics, education, wealth, health insurance, child care, and food security. SIPP interviews individuals for several years and provides monthly data about changes in household and family composition and economic circumstances over time. For more information, please visit the SIPP website at <www.census.gov/sipp>.

Table 1 presents the value of household wealth by percentile. The median household wealth in 2019 was $118,200. The 10th percentile of household wealth was –$3,487, meaning one in ten households had wealth of –$3,487 or less. The 90th percentile of household wealth was $1,301,000, meaning one in ten households had wealth exceeding $1.3 million.

Table 1.

The Value of Household Wealth by Percentile: 2019

Percentile	2019 dollars
10th	–3,487
25th	7,780
50th	118,200
75th	474,900
90th	1,301,000

Source: U.S. Census Bureau, 2020 Survey of Income and Program Participation, public-use data.

ASSET OWNERSHIP RATES AND VALUES

Household wealth can have many subcomponents and comprises individual assets, joint assets, secured debts, and unsecured debts. Because the SIPP measures many different asset types, this report presents asset ownership rates and the median asset values for asset owners in Table 2.[3] In calculating the median asset value, any secured debts that are held against an asset are subtracted. For example, the mortgage balance is subtracted from the value of a home to calculate home equity. Therefore, the value of these secured assets may be negative.

[3] Estimates of median value are conditional on asset ownership or possession of the relevant debt type. If a household held an asset or debt type during the reference year but reported its value to be zero dollars as of December 31 (e.g., because the asset was sold or the debt paid off), the zero is included in the median calculation.

Table 2.

Asset and Unsecured Debt Ownership Rates for Households and Median Values of Asset Holdings and Unsecured Debts Owed: 2019

Asset or debt type	Percentage holding asset or debt type	Standard error	Median value (2019 dollars)[1, 2]	Standard error (2019 dollars)
WEALTH	**X**	**X**	**118,200**	**2,357**
Value of Asset Holdings				
Assets at financial institutions	95.4	0.2	6,570	194
Vehicles	81.8	0.3	7,290	123
Equity in own home	61.3	0.3	130,000	465
Retirement accounts[3]	58.8	0.4	69,900	2,057
Stocks and mutual funds	21.9	0.3	35,100	2,142
Business assets	15.7	0.3	6,000	1,110
Other real estate	8.7	0.2	60,000	2,584
Bonds	8.0	0.2	3,600	450
Rental property	7.2	0.2	150,000	5,542
Other asset holdings[4]	24.2	0.3	20,000	601
Unsecured Debts[5]				
All unsecured debts	57.7	0.4	8,700	415
Credit card and store bills	44.2	0.4	3,800	327
Student loan and education-related expenses	20.5	0.3	20,000	130
Medical debts	17.1	0.3	2,000	Z
Other unsecured debts[6]	9.3	0.2	5,090	892

X Not applicable.
Z Represents or rounds to zero.
[1] Asset values are net of debts held against them, otherwise known as equity. Wealth is also net of all unsecured debts.
[2] Estimates of median value are conditional on asset ownership or possession of the relevant debt type. If a household held an asset or debt type during the reference year but reported its value to be zero dollars as of December 31 (e.g., because the asset was sold or the debt paid off), the zero is included in the median calculation.
[3] IRAs, Keogh, Thrift Savings Plans, and 401(k) accounts.
[4] Includes annuities, trusts, cash life insurance policies, educational savings accounts, mortgages held for sale of real estate, amount due from sale of business property, and other financial assets.
[5] The percentage of households holding secured debts and the median value of those debts can be found in the "2019 Wealth, Asset Ownership, & Debt of Households Detailed Tables" at <www.census.gov/data/tables/2019/demo/wealth/wealth-asset-ownership.html>. Estimates are provided for total secured debt, home debt, business debt, and vehicle debt.
[6] Includes loans obtained through a bank or credit union, money owed to private individuals, debt held against mutual funds or stocks, and all other debts.
Source: U.S. Census Bureau, 2020 Survey of Income and Program Participation, public-use data.

Assets at financial institutions, such as checking and savings accounts, and vehicle equity were the most commonly held assets. In 2019, 95.4 percent of households held assets at financial institutions, and 81.8 percent of households owned vehicles. For these two asset classes, the median asset values were relatively low. The median value of assets at financial institutions and the median value of vehicles were $6,570 and $7,290, respectively.

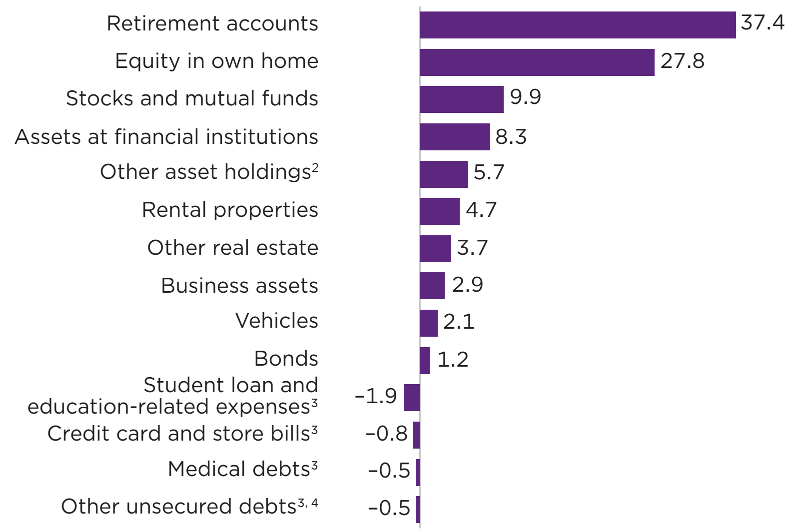
The assets with the highest median values were primary home equity and rental property equity. The median value for home equity and the median equity in rental properties were $130,000 and $150,000, respectively. Equity in one's own home was the third most common asset class, owned by 61.3 percent of households during the year. Rental property was among the least commonly held assets, owned by 7.2 percent of households.

Retirement accounts were also a major source of wealth, with a median value of $69,900. Additionally, they were the fourth most common asset class, owned by 58.8 percent of households.

RATES AND VALUES OF UNSECURED DEBT HOLDINGS

Table 2 also presents rates of debt-holding and the values of unsecured debts (e.g., credit card or medical debt). Unsecured debts differ from secured debts in that they have no asset backing them. A lender cannot repossess someone's education if the individual fails to pay a student loan, the way an auto lender might repossess a car. By including unsecured debts, Table 2 provides a more complete picture of the debts held by households.

Figure 1.
Composition of Wealth by Asset Type: 2019[1]
(In percent)



[1] Excludes households in the top 1 percent of wealth.
[2] Includes annuities, trusts, cash life insurance policies, educational savings accounts, mortgages held for sale of real estate, amount due from sale of business property, and other financial assets.
[3] Because wealth is assets minus debts, unsecured debts are subtracted from the distribution of wealth and are shown as negative.
[4] Includes loans obtained through a bank or credit union, money owed to private individuals, debt held against mutual funds or stocks, and all other debts.
Source: U.S. Census Bureau, 2020 Survey of Income and Program Participation, public-use data.

Around 58 percent of households had some unsecured debt during the year. Credit card debt was the most common form of unsecured debt, held by 44.2 percent of households. The category with the highest median debt was student loans at $20,000. In 2019, 17.1 percent of households held medical debt, and, among households with medical debt, the median amount owed was $2,000.

THE COMPOSITION OF HOUSEHOLD WEALTH

Median asset values vary across asset types, meaning that some commonly held assets are a small part of overall wealth (Table 2). Therefore, to understand the composition of wealth, Figure 1 shows aggregate household wealth decomposed by asset type.[4]

Because asset ownership patterns of particularly wealthy households are not typical to the rest of the population, this section focuses on households at or below the 99th percentile of net worth.

In 2019, home equity and retirement accounts composed the majority of aggregate household wealth at 65.2 percent. Specifically, 37.4 percent of household wealth was held in

[4] The aggregate value of wealth is defined as the sum of wealth across all U.S. households. To calculate the share of wealth held in a specific asset category, the value of the asset, net of any debt held against it, is summed across all households and divided by aggregate household wealth.

retirement accounts, and home equity accounted for 27.8 percent of household wealth.

Despite being the two most commonly held assets, assets at financial institutions and vehicle equity accounted for a relatively small portion of aggregate household wealth. Vehicle equity was 2.1 percent of household wealth, and assets at financial institutions were 8.3 percent of household wealth.[5]

The value of total unsecured debt held by all households was 3.7 percent of aggregate wealth. The largest component of total unsecured debt was student loan and education-related expenses. Although the value of these expenses was small relative to aggregate wealth (1.9 percent), they accounted for about 51 percent of unsecured debt.

MEDIAN WEALTH BY HOUSEHOLD CHARACTERISTICS

Figure 2 depicts how median wealth varied by demographic and economic characteristics of the household in the 2020 SIPP.

The data suggest that households generally accumulate more wealth as they age. For households in which the householder was under the age of 35, median wealth was $15,700. For households in which the householder was between 70 and 74 years old, median household wealth was $305,100, or about 2.5 times the value of overall median wealth ($118,200). Figure 2 also provides evidence that aging households eventually draw down their wealth. For households in which the householder was at least 75 years old, median household wealth was $249,500, or about 82 percent of the median household wealth for householders between 70 and 74.

Higher education was associated with more wealth. Median wealth among households in which the most educated member held a high school diploma was $40,560, or about eight times greater than households in which no member had a high school diploma. Households in which the most educated member had a bachelor's degree had a median wealth of $196,800, or about 39 times greater than households in which no member had a high school diploma.

Households with higher annual incomes tended to have more wealth. When households are separated into quintiles, meaning five equally sized groups ordered by income from lowest to highest, a meaningful wealth difference can be found between the highest, middle, and lowest income households. For example, the median wealth of households in the lowest income group (lowest quintile) was 5.8 percent of the median wealth of households in the middle income group (third quintile). And the median wealth of households in the third income quintile was 17.2 percent of the median wealth of the households with the highest income (highest quintile).

Homeowners tended to be wealthier than renters. Households that owned their home had a median wealth about 75 times larger than those that rented. But if home equity is excluded from total wealth, the median wealth of households that own their home was 30.7 times that of the median household that rented. The difference in median wealth between households that own and households that rent was not fully accounted for by home equity.

The median wealth of married householders was greater at all age levels than that of unmarried householders. For example, married householders under the age of 35 had a median wealth 17.6 times that of unmarried female householders and 3.3 times that of unmarried male householders. This suggests that the gaps in median wealth could not solely be attributed to the presence of an additional adult in the household; otherwise, married householders would have no more than twice the median wealth of unmarried householders.

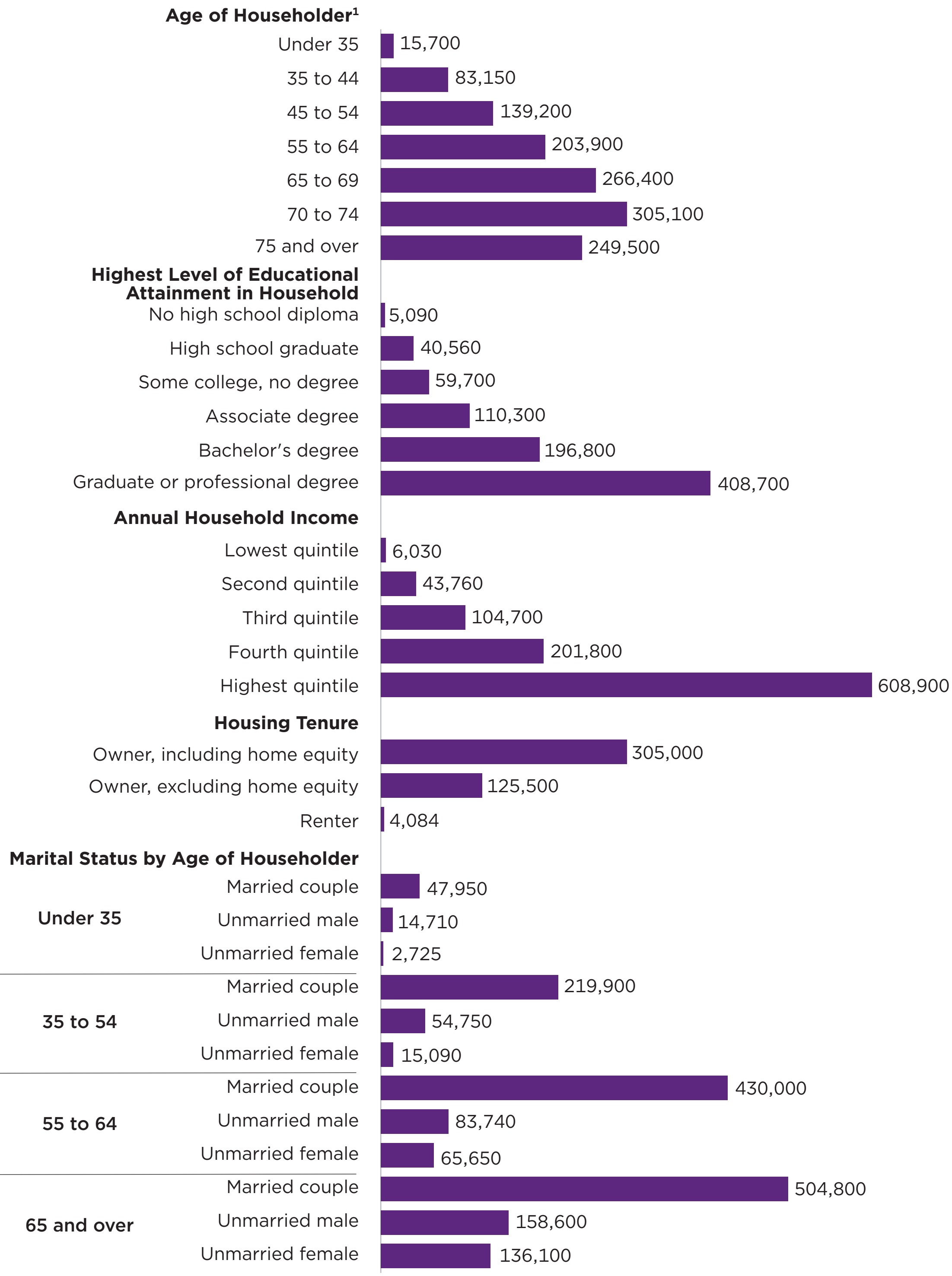
Differences by sex for some age cohorts are also apparent. In the under age 35 and 35 to 54 groups, the median wealth of unmarried female householders was less than the median wealth of unmarried male householders. For example, unmarried female householders under the age of 35 had a median wealth of $2,725—18.5 percent of their unmarried male counterparts' wealth. But among the oldest two cohorts—aged 55 to 64 and 65 and over—the difference in median wealth between unmarried male and female householders is at most marginally significant.

SUMMARY

Estimates presented in this brief illustrate the wide variation in household wealth and, therefore, households' economic well-being. Assets at financial institutions and vehicle equity were the most commonly held assets but only

[5] Note that decompositions of aggregate wealth are not necessarily informative of individual households' wealth composition. While vehicles represent a small share of aggregate wealth, they represent a much larger share of wealth for households owning only vehicles and a checking account.

Figure 2.
Median Wealth by Household Characteristics: 2019
(In 2019 dollars)



[1] Householder is a person who owns or rents the housing unit (whose name appears on the deed or lease).
Source: U.S. Census Bureau, 2020 Survey of Income and Program Participation, public-use data.

accounted for a relatively small portion of aggregate household wealth. Retirement accounts and home equity made up the majority of aggregate household wealth. Additionally, the estimates demonstrate significant variation in median wealth by demographic and economic characteristics, namely age, education, income, home ownership, and marital status.

SOURCE AND ACCURACY

Statistics from surveys are subject to sampling and nonsampling error. All comparisons presented in this brief have taken sampling error into account and are significant at the 90 percent confidence level unless otherwise noted. This means the 90 percent confidence interval for the difference between the estimates being compared does not include zero. Nonsampling errors in surveys may be attributed to a variety of sources, such as how the survey was designed, how respondents interpret questions, how able and willing respondents are to provide correct answers, and how accurately the answers are coded and classified. To minimize these errors, the Census Bureau employs quality control procedures throughout the production process, including the overall design of surveys, wording of questions, review of the work of interviewers and coders, and the statistical review of reports.

Additional information can be found on the main SIPP website: <www.census.gov/sipp>, SIPP Users' Guide: <www.census.gov/programs-surveys/sipp/guidance/users-guide.html>, and SIPP Source and Accuracy Statements: <www.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements.html>. For technical documentation and more information about SIPP data quality, please visit the SIPP website's Technical Documentation page at <www.census.gov/programs-surveys/sipp/tech-documentation.html>.

CONTACTS

For more information on the SIPP, including data and methodology, please contact the SIPP Coordination and Outreach staff at <census.sipp@census.gov> or 1-888-245-3076.

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