

Bureau of the Census Statistical Brief

What We're Worth — Asset Ownership of Households: 1993

Net worth remains stable.

Your net worth, or wealth, is the amount of your financial resources, equaling the value of your assets minus any debts. The median American household had a net worth of \$37,587 in 1993, statistically unchanged from the 1991 figure of \$38,500 (1993 dollars)¹.

There were declines in the median values of interest-earning assets at financial institutions, other interest-earning assets, rental property,

motor vehicles, and businesses and professions. These declines were offset by gains in the values of stocks and mutual fund shares, home equity, and U.S. savings bonds.

Wealth is concentrated at the top.

In 1993, the median net worth of American households rose sharply with income. Net worth was —

■ \$4,249 for households on the bottom fifth of the income² ladder (\$0-\$12,852).

■ \$20,230 for those on the second-lowest fifth (\$12,853-\$23,556).

■ \$30,788 for households on the middle fifth (\$23,557-\$35,940).

■ \$50,000 for those on the second-highest fifth (\$35,941-\$55,620).

■ \$118,996 for households on the highest fifth (\$55,621 and over).

As a result, the last group owned at least 44 percent of total U.S. household wealth, while the first group owned just 7 percent.

Definition

All values in this Brief are *medians* — the middle value in the distribution of all U.S. households. In other words, an equal number of households have values which lie above and below.

¹The analysis does not cover equity in pension plans, the cash surrender of life insurance policies, or the value of jewelry and home furnishings.

²These income ranges are annualized from monthly estimates.

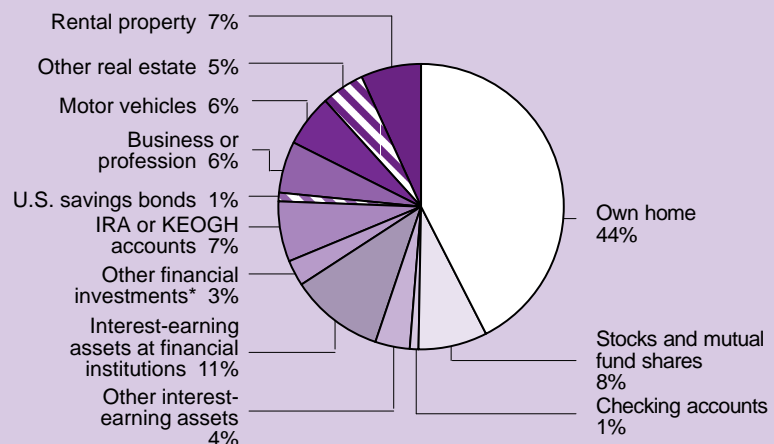


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How Our Wealth is Divided Up

Distribution of measured U.S. household net worth, by asset type: 1993



* Includes mortgages held from sale of real estate, amount due from sale of business, and unit trusts.

Note: Since net worth is the value of assets less liabilities, unsecured liabilities (like credit card or store bills) are subtracted from the distribution of net worth. So the percentages above add up to more than 100 percent.

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Households in the top fifth of the income ladder were more likely than those in the bottom fifth to own —

- Their home (86 percent versus 42 percent).
- Stocks and mutual fund shares (44 percent compared with 4 percent).
- IRA or KEOGH accounts (47 percent versus 5 percent).
- A business or profession (19 percent compared with 6 percent).

Net worth rises with age until retirement, then begins dropping.

Our long work life gives us more and more opportunities to accumulate wealth. Median net worth was —

- \$5,786 for households with householders under 35 years old.
- \$29,202 for those aged 35 to 44.
- \$57,755 for those aged 45 to 54 years old.
- \$91,481 for those aged 55 to 64.

Wealth remains about the same until age 74, then begins falling off. In 1993, householders aged 75 and older had a net worth of \$77,654.

Race and ethnicity also make a difference

White households had a net worth of \$45,740, about *10 times* that of Black households (\$4,418) and Hispanic households (\$4,656). (The latter two figures are not statistically different.)

... as does household type.

Likewise, the net worth of households maintained by married couples was \$61,905, *five times* that of households maintained by

women (\$13,294) and those headed by men (\$13,500) without spouses. (The latter two figures are not statistically different).

Between 1991 and 1993, net worth declined about \$2,000 for households maintained by women without spouses, but remained statistically unchanged for married households and male-headed households.

More information:

Asset Ownership of Households: 1993, Current Population Reports, Series P70-47. Stock No. 803-044-00036-8. \$2.25. Additionally, detailed tables are on the Internet (<http://www.census.gov/>). The data in both this Brief and in the above-mentioned report were collected by the Survey of Income and Program Participation (SIPP).

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This Brief is one of a series that presents information of current policy interest. All statistics are subject to sampling variability, as well as survey design flaws, respondent classification errors and data processing mistakes. The Census Bureau has taken steps to minimize errors, and analytical statements have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with data from other sources.

What Our Assets Are Worth

Median value of holdings for asset owners, by asset type: 1993

Interest-earning assets at financial institutions ¹	\$2,999
Other interest-earning assets ²	\$12,998
Checking accounts	\$499
Stocks and mutual fund shares	\$6,960
Own home	\$46,669
Rental property	\$29,300
Other real estate	\$19,415
Motor vehicles	\$5,140
Business or profession	\$7,000
U.S. savings bonds	\$775
IRA or KEOGH accounts	\$12,985
Other financial investments ³	\$21,001
Unsecured liabilities ⁴	-\$2,210

¹Includes savings accounts, money market deposit accounts, certificates of deposit, and interest-earning checking accounts. ²Includes money market funds, government securities, corporate or municipal bonds, and other interest-earning assets. ³Includes mortgages held from sale of real estate, amount due from sale of business, and unit trusts. ⁴Since net worth is the value of assets less liabilities, liabilities unsecured by an asset (like credit card bills) are subtracted from the distribution of net worth and shown as negatives.

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