

Personal Wealth, 2004

by Brian G. Raub

In 2004, there were an estimated 2.7 million adults with gross assets of \$1.5 million or more, the Federal estate tax filing threshold for decedents from that year. In total, these top wealth holders owned nearly \$11.1 trillion in assets. After accounting for debts and mortgages of \$850.1 billion, these individuals had a combined net worth of over \$10.2 trillion. Although top wealth holders made up only about 1.2 percent of the total U.S. adult population, they held 20.3 percent of the total U.S. net worth in 2004.^{1,2}

Background

The distribution and composition of personal wealth in the United States are topics of great interest among researchers and policy planners. Unfortunately, these issues are difficult to research, since there are few sources of data on the wealth holdings of the general population, especially the very rich. Federal estate tax returns (Form 706) provide a unique source from which to study the nation's wealthiest individuals.

The estate tax return contains a complete listing of a decedent's assets and debts, as well as a demographic profile of the decedent and information on the costs of administering the estate. A decedent's estate has up to 9 months to file an estate tax return, but use of a 6-month extension is common. It is, therefore, necessary to combine returns filed over a number of calendar years in order to capture data representative of all estate tax decedents dying in a single year.

The estate multiplier technique is used to estimate the wealth of living individuals from Federal estate tax return data. The fundamental assumption underlying this methodology is that estate tax returns filed for decedents who died in a particular year represent a random sample, designated by death, of the living population in that year. Estimates of the wealth holdings of the living population are derived

by applying a multiplier, based on appropriate mortality rates, to this sample.

Valuation Measures

The level of wealth to which these estimates apply is \$1.5 million or more in gross assets, the Federal estate tax filing threshold in effect for 2004 U.S. decedents. Gross assets as defined here are a Federal estate tax concept of wealth that does not conform to usual definitions of wealth. Therefore, three measures of wealth are used in this article: gross assets, total assets, and net worth.

Gross assets reflect the gross value of all assets, including the full face value of life insurance, reduced by the value of any policy loans, but excluding any reduction for other indebtedness or for special valuation of some real estate. This measure defines the individuals included in the top wealth holder group.

Total assets are a lower wealth value, but still essentially a gross measure. They differ from gross assets in that the cash, or equity, value of life insurance (i.e., the value of insurance immediately before the policyholder's death) replaces the "at death" value of life insurance included in gross assets.³

Total assets are the valuation concept on which all the analyses in this article are based. Net worth is total assets minus debts.

Demographic Characteristics

Of the 2.7 million individuals in 2004 who had gross assets of at least \$1.5 million, almost 1.6 million, or 57 percent, were men. As shown in Figure A, these male top wealth holders could be divided roughly into thirds by age, with one-third under 50, one-third 50 but not yet 65, and the other third 65 and older.

Female top wealth holders, who accounted for 43 percent of the total, had a significantly different age distribution. While the percentage of female top wealth holders ages 50 under 75 was nearly identical to that of their male counterparts, only about 26 percent were under 50. In contrast, individuals 75 and older made up a larger percentage of female top wealth holders than male top wealth holders.

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¹ Estimate of the adult population of the United States in 2004 was obtained from U.S. Bureau of the Census at <http://www.census.gov/popest/states/asrh/SC-est2004-01.html>.

² Estimate of the total net worth of the United States was obtained from household estimates derived from the Board of Governors of the Federal Reserve System's Survey of Consumer Finances (SCF), found in Kennickell, Arthur B. (2006), "Currents and Undercurrents: Changes in the Distribution of Wealth, 1989-2004," <http://www.federalreserve.gov/pubs/feds/2006/200613/200613pap.pdf>.

³ Estimates of the equity value of life insurance included in total assets were approximated, based on the face value reported on Federal estate tax returns and on the decedent's age. A ratio of the equity value to the face value was developed, using data from wealthy respondents to the 2004 Board of Governors of the Federal Reserve System's Surveys of Consumer Finances (SCF). A simple regression was used to predict the values used in the Statistics of Income estimates.

As shown in Figure B, the marital status of top wealth holders also varied considerably by sex. While a large majority of wealthy males, 70.5 percent, was married, only about half of their female counterparts had this marital status. Similarly, a higher percentage of wealthy males was single compared to female top wealth holders. In contrast, nearly one-quarter of women were widowed compared to only 6.8 percent of men.

Figure A

Top Wealth Holders: Age, by Sex, 2004 [1]

[Numbers are in thousands]

Age	Males	Percentage	Females	Percentage
	(1)	(2)	(3)	(4)
Total	1,555	100.0	1,173	100.0
Under 50	504	32.4	303	25.8
50 under 65	541	34.8	410	35.0
65 under 75	269	17.3	210	17.9
75 under 85	174	11.2	169	14.4
85 and older	66	4.2	81	6.9

[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

NOTE: Detail may not add to totals because of rounding.

Figure B

Top Wealth Holders: Marital Status, by Sex, 2004 [1]

[Numbers are in thousands]

Age	Males	Percentage	Females	Percentage
	(1)	(2)	(3)	(4)
Total	1,555	100.0	1,173	100.0
Married	1,096	70.5	610	52.0
Widowed	105	6.8	281	24.0
Single	220	14.1	129	11.0
Other [2]	134	8.6	153	13.0

[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

[2] Includes individuals who were separated or divorced or those for whom marital status could not be determined.

NOTE: Detail may not add to totals because of rounding.

Asset Portfolios

As shown in Figure C, the portfolio composition for male top wealth holders varied considerably by size of net worth. Real estate, including personal resi-

dences, was the most dominant portfolio component for those with net worth under \$1.5 million, but made up a significantly smaller portion of the portfolio of their wealthier counterparts.

While male top wealth holders with net worth of less than \$1.5 million held 40.6 percent of their portfolio in real estate, including the personal residence, for men with net worth of \$10 million or more, this portion was only 12.6 percent. The pattern was similar for retirement assets, including Individual Retirement Accounts (IRAs), annuities, and self-employed or Keogh plans, which accounted for over 15.0 percent of the portfolio of male top wealth holders with net worth under \$10 million but only 4.0 percent for men with net worth of \$10 million or more.

In contrast, equities, including closely held and publicly traded stock, made up a larger portion of the portfolios of wealthier men relative to their younger counterparts. While these assets accounted for 14.9 percent of the portfolio of top wealth holders with net worth under \$1.5 million, they made up more than twice this percentage, 40.9 percent, in the portfolio of individuals with net worth of \$10 million or more. This result is consistent with academic research demonstrating that wealthier investors allocate a greater share of their financial assets to equity investments.⁴

Figure D shows that the portfolio holdings for female top wealth holders were similar to those of males, although several differences are notable. In each wealth category, female top wealth holders held proportionately more of their assets in personal residences and publicly traded stock than their male counterparts, and less in closely held stock and business assets, including noncorporate businesses, farms, and limited partnerships.

For individuals with net worth of \$10 million or more, men and women held a nearly identical percentage of their portfolios in equities, about 40 percent, although the allocation between publicly traded stock and closely held stock was quite different for men than for women. While men in this top wealth category split their equity holdings nearly evenly, 52 percent in publicly traded stock and 48 percent in closely held stock, their female counterparts held 77 percent of their stock holdings in publicly traded companies compared to only 23 percent in closely held companies.

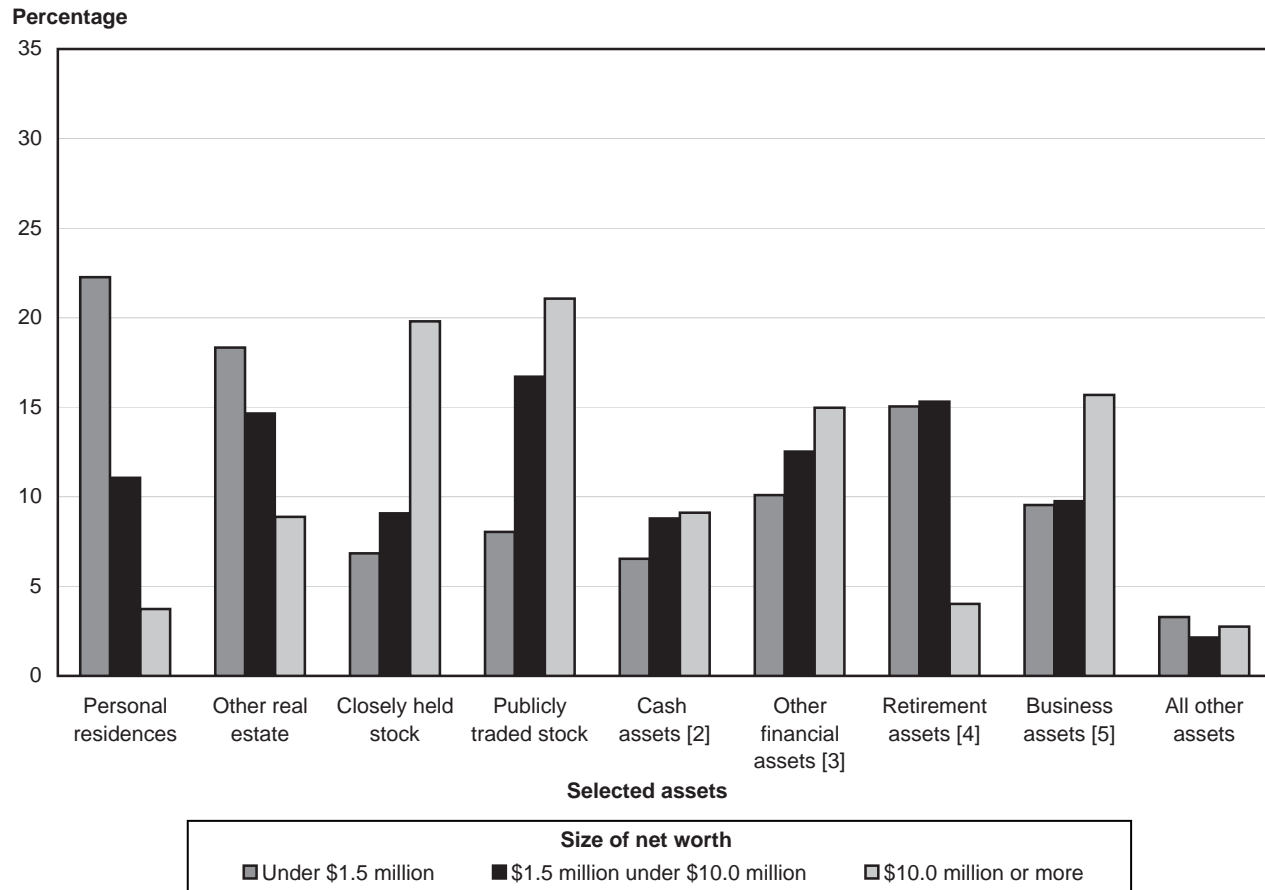
⁴ See, for example, Ackert, Lucy F. et al. (2002), "The Asset Allocation Decision and Investor Heterogeneity: A Puzzle?" *Journal of Economic Behavior and Organization*, Volume 47, pp. 423-433.

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Figure C

Male Top Wealth Holders: Selected Assets as a Percentage of Total Assets, by Size of Net Worth, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

[2] Includes cash and cash management accounts.

[3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.

[4] Includes Individual Retirement Accounts, annuities, and self-employed or Keogh plans.

[5] Includes noncorporate businesses, farms, and limited partnerships.

Some of the differences between the asset portfolios of male and female top wealth holders can be attributed to the differing age distributions of the two groups. For example, as mentioned above, male top wealth holders in each net worth category held a higher percentage of their portfolios in closely held stock relative to females. Some of this disparity, however, is due to the fact that the age distribution of female top wealth holders is skewed more toward the older age categories than is true for males, as shown in Figure A. As shown in Figures E and F, top wealth holders 65 and older held a markedly lower percentage of their portfolios in closely held stock than their

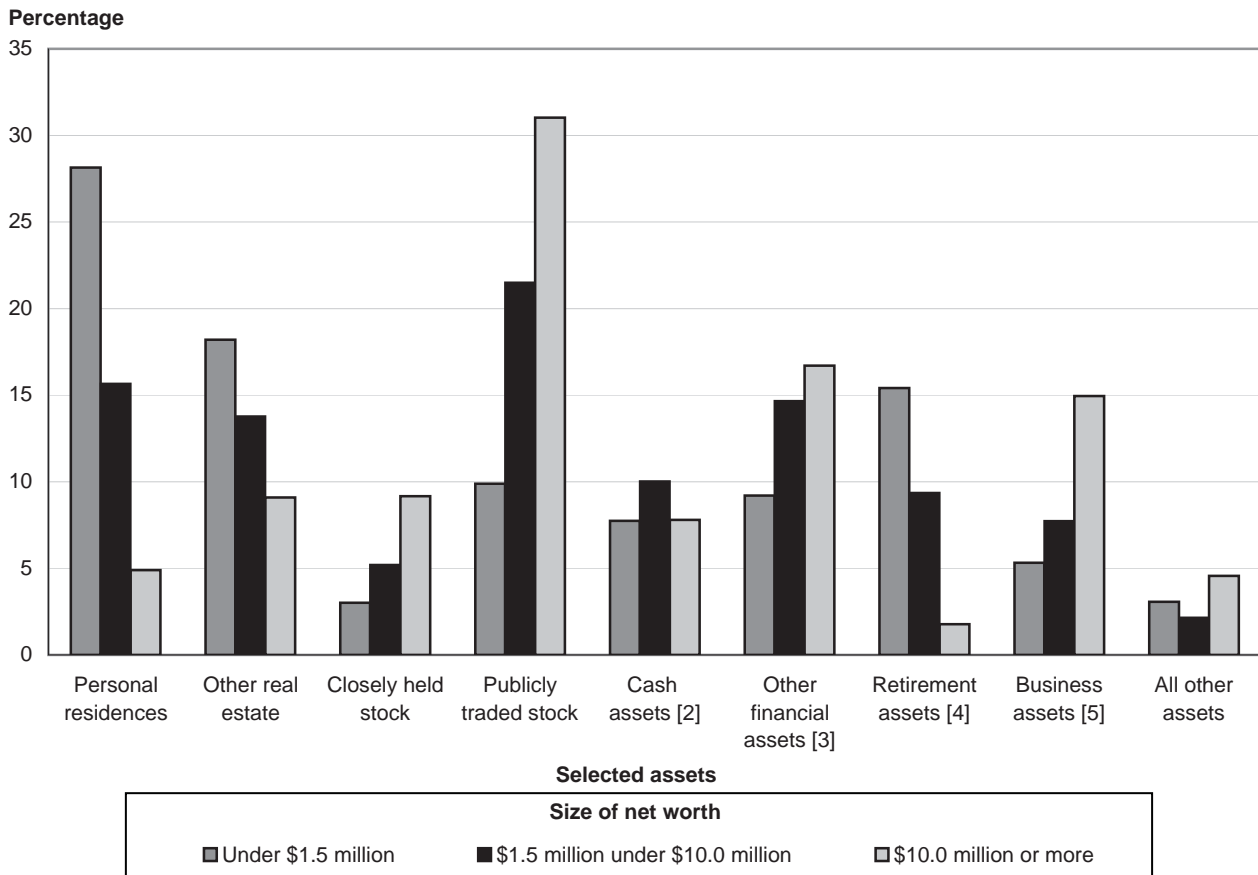
younger counterparts, although, in each age category, men held proportionately more than women.

In general, the differences in portfolio composition between age groups are not as large as the differences between wealth groups shown above. Even so, several patterns based on age can be observed. For both male and female top wealth holders, personal residences and closely held stock accounted for a smaller percentage of the portfolio held by older individuals than that of their younger counterparts.

In contrast, for both genders, the percentage of the portfolio held in publicly traded stock was lowest for individuals 50 under 65 but highest for those

Figure D

Female Top Wealth Holders: Selected Assets as a Percentage of Total Assets, by Size of Net Worth, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.
 [2] Includes cash and cash management accounts.
 [3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.
 [4] Includes Individual Retirement Accounts, annuities, and self-employed or Keogh plans.
 [5] Includes noncorporate businesses, farms, and limited partnerships.

65 and older, although, in each age category, women held more proportionately more than men. Taken as a whole, Figures C through F show that the portfolio allocation of top wealth holders in 2004 reflected preferences based on, age, gender, and wealth level.

Debts and Mortgages

Figure G shows the debts and mortgages of top wealth holders in 2004 as a percentage of total assets, by sex and age. Two main trends can be observed. First, the debt-to-assets ratio for both men and women was significant lower for older top

wealth holders than for their younger counterparts. This is consistent with the economic theory which predicts that individuals will take on greater debt early in their working lives in order to finance a desired lifestyle.⁵

Although data are not available separately on holdings of mortgage debt, much of the difference in overall debt-to-assets ratios between age groups is likely related to mortgage debt held on primary residences. Data collected as part of the Federal Reserve Board’s Survey of Consumer Finances demonstrate that families headed by younger individuals are much

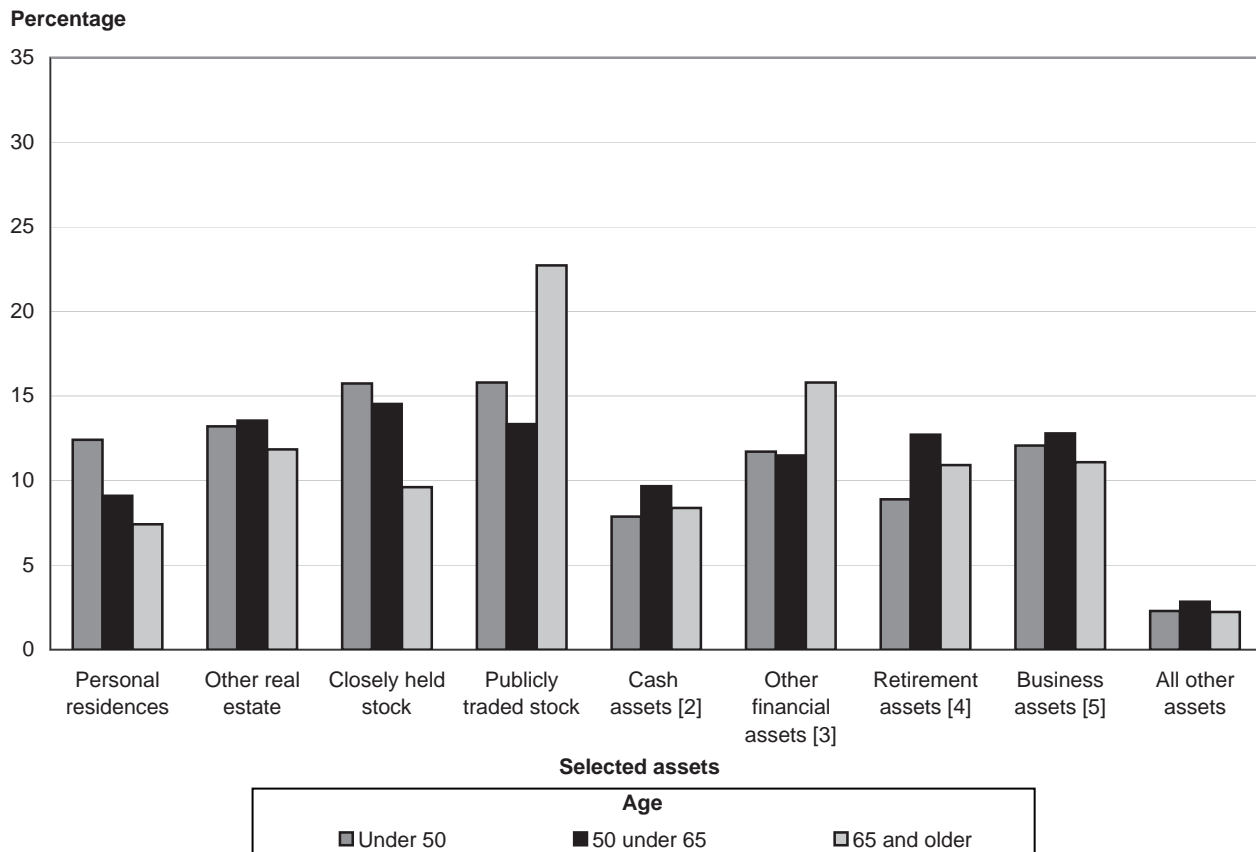
⁵ See, for example, Modigliani, Franco (1986), “Life Cycle, Individual Thrift, and the Wealth of Nations,” *American Economic Review*, Volume 68, pp. 547-560.

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Figure E

Male Top Wealth Holders: Selected Assets as a Percentage of Total Assets, by Age, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

[2] Includes cash and cash management accounts.

[3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.

[4] Includes Individual Retirement Accounts, annuities, and self-employed or Keogh plans.

[5] Includes noncorporate businesses, farms, and limited partnerships.

more likely to hold mortgage debt on residential property, and have considerably higher average mortgage balances when present, than families headed by older individuals.⁶

The second main trend that can be observed in Figure G is that female top wealth holders in each category had a significantly lower debt-to-assets ratio than their male counterparts. The relative difference in the ratios between genders was largest for top wealth holders under age 50, where the debt-to-assets ratio for men was 17.7 percent, compared to 10.1 percent for women.

Net Worth

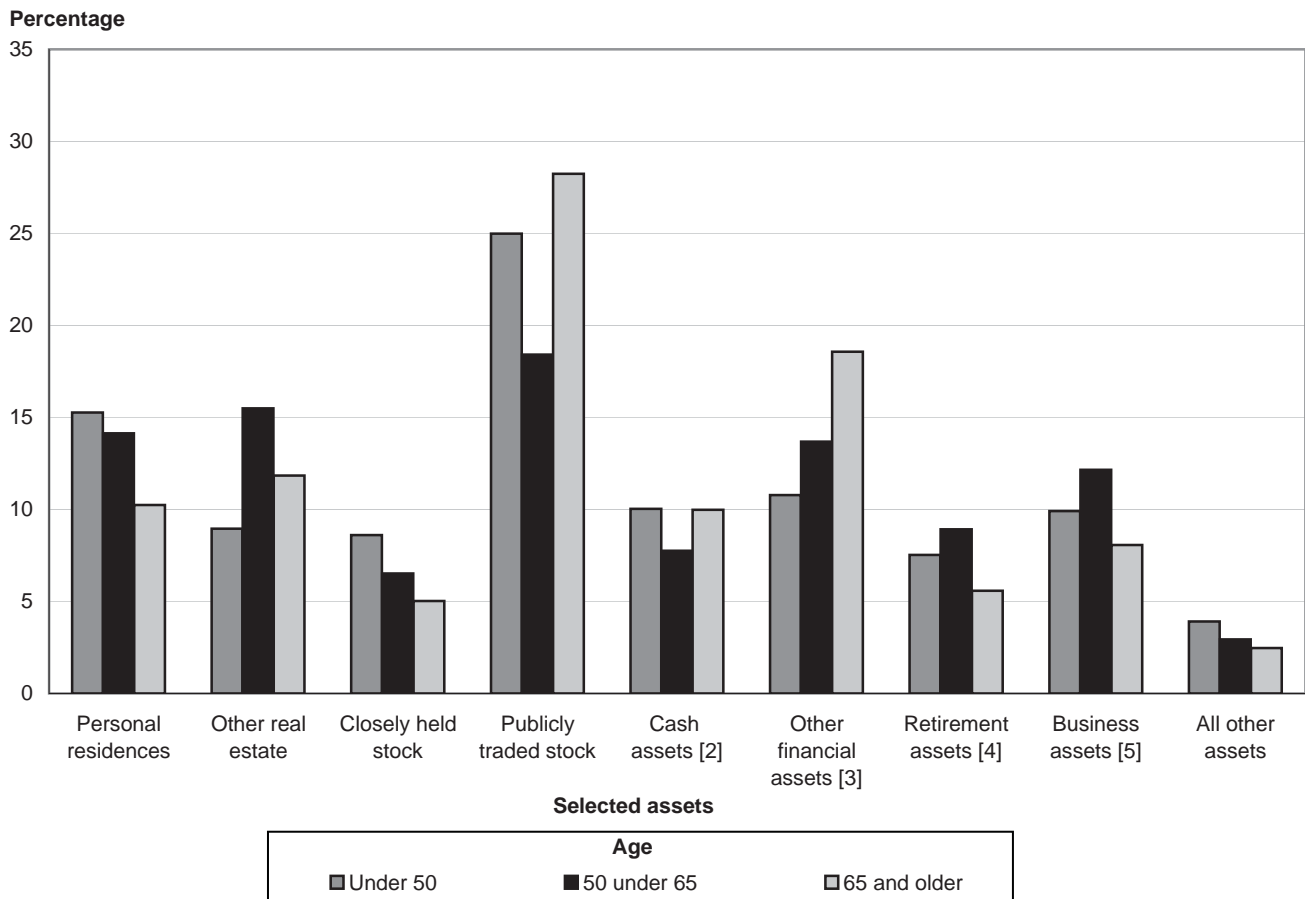
Net worth, defined as total assets minus mortgages and other debts, is a subject of interest among researchers and the general public because, relative to total assets, it represents a more complete picture of an individual's financial position. The 2.7 million top wealth holders in 2004 held a combined \$10.2 trillion in net worth, for an average of over \$3.7 million.

Figure H, however, reveals that the average net worth of these individuals varied considerably by age and sex. For both male and female top wealth holders, average net worth for older individuals was high-

⁶ See Bucks, Brian K.; Arthur B. Kennickell; and Kevin B. Moore, "Recent Changes in U.S. Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances," Federal Reserve Board of Governors, <http://www.federalreserve.gov/PUBS/oss/oss2/2004/bull0206.pdf>.

Figure F

Female Top Wealth Holders: Selected Assets as a Percentage of Total Assets, by Age, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.
 [2] Includes cash and cash management accounts.
 [3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.
 [4] Includes Individual Retirement Accounts, annuities, and self-employed or Keogh plans.
 [5] Includes noncorporate businesses, farms, and limited partnerships.

er than it was for younger individuals. Additionally, the youngest male top wealth holders, those under 50, had a lower average net worth than their female counterparts, but, in each of the other age groups, men had a higher average net worth than women.

Male top wealth holders under 50 had the lowest average net worth, \$2.5 million, trailing females in this age group, who had an average net worth of \$3.1 million. Male top wealth holders 75 under 85 had an average net worth of \$5.3 million, more than twice that of their under-50 counterparts and virtually identical to the \$5.2 million average for men 85 and older. Women 75 under 85 had an average net worth

of \$4.3 million, just below the average for women 85 and older, \$4.4 million.

As shown in Figure H, a large part of the difference between the average net worth of male and female top wealth holders under 50 is attributable to the fact that men held more debt, as seen by the gap between total assets and net worth. For top wealth holders 65 and older, who held less debt than their younger counterparts, the gap between total assets and net worth is substantially smaller.

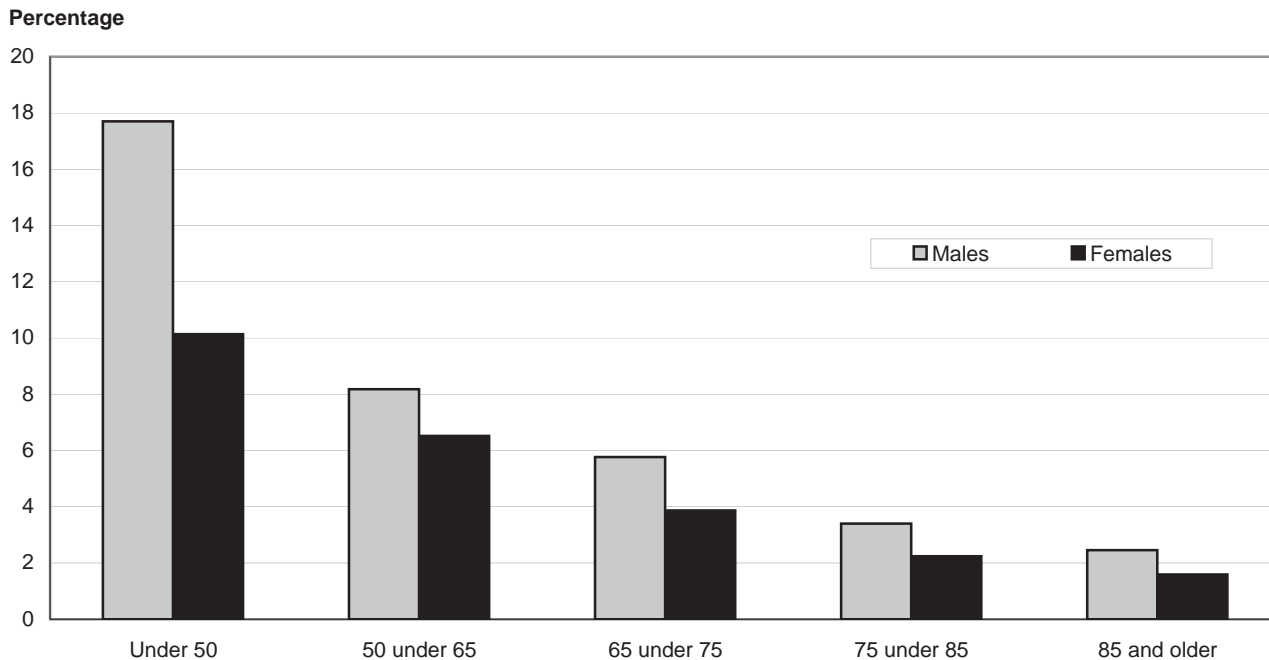
For highly skewed distributions, the median is often a better summary measure than the average since the median is less affected by outliers in a

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Figure G

Top Wealth Holders: Debt and Mortgages as a Percentage of Total Assets, by Sex and Age, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

population. As shown in Figure H, the median net worth of top wealth holders showed considerably less variation by age and sex than the average, and the differences in net worth between men and women were smaller.

The median net worth for wealthy males ranged from \$1.6 million for those under 50 to \$2.4 million for those 75 under 85. For wealthy females, the median showed even less variation by age, with the smallest median, \$2.0 million for those under 50, only 19 percent lower than the largest median, \$2.3 million for those 85 and older.

Taken together, the average and median net worth and total asset distributions by age and sex show that the averages are significantly impacted by relatively few extremely wealthy individuals, particularly for male top wealth holders. This relationship can also be seen in the percentile distribution of wealth for top wealth holders by sex, shown in Figure I.

For values below the 25th percentile, female net worth values dominate those for males, while, at the 90th percentile and above, male net worth values dominate. The net worth distribution for men and women between the 25th and 90th percentiles was very similar. While not included in Figure I, the left tail of the net worth distribution for males dips much lower (larger negative values) for points below the 1st percentile than for females.

State Data

Figure J shows the States with the largest number of individuals with net worth of \$1.5 million or more.⁷ California, the nation's most populous State in 2004, also had the largest number of residents with net worth of at least \$1.5 million, 428,000.⁸ In fact, the State was home to 19.5 percent of all such residents, despite accounting for only 11.9 percent of the U.S. adult population. Florida, with 6.1 percent of the

⁷ While the size of the underlying sample of estate tax returns makes estimates of wealth derived using the estate multiplier technique fairly robust, estimates of wealth by State can be subject to significant year-to-year fluctuations. This is especially true for individuals at the extreme tail of the net worth distribution and for States with relatively small decedent populations.

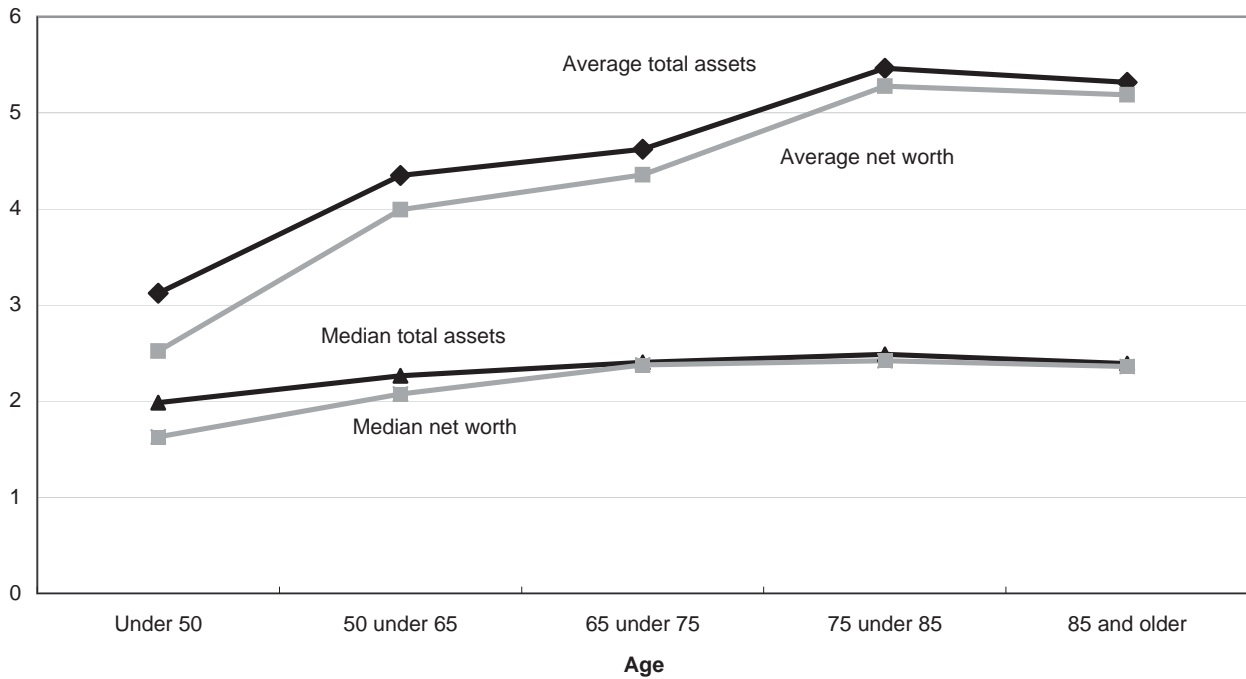
⁸ U.S. Census Bureau, 2004.

Figure H

Top Wealth Holders: Average and Median Total Assets and Net Worth, by Sex and Age, 2004 [1]

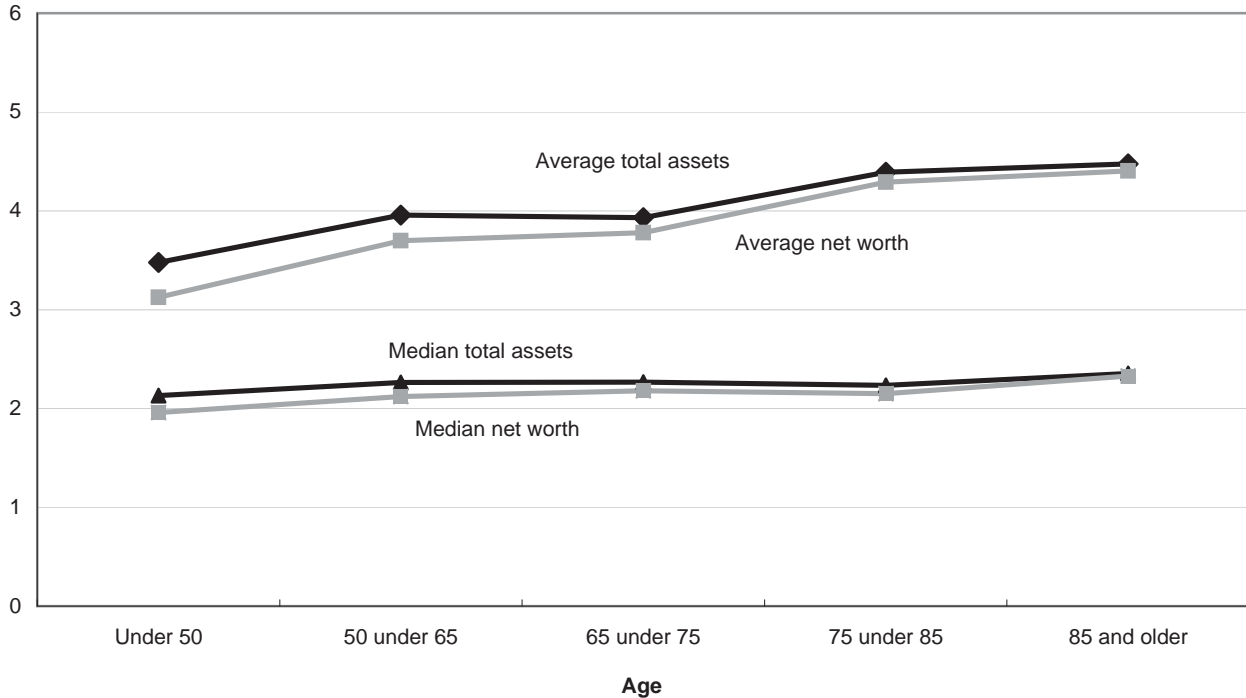
Value (in millions of dollars)

Males



Value (in millions of dollars)

Females



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

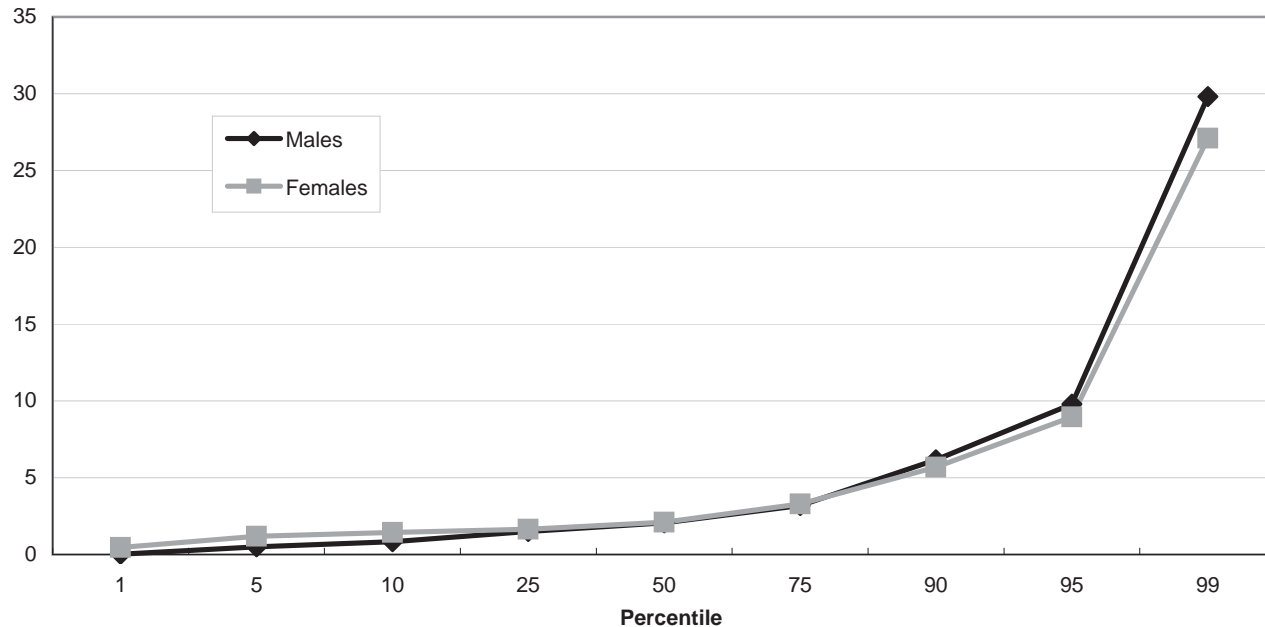
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Figure I

Top Wealth Holders, by Sex, Net Worth Distribution, 1st-99th Percentiles, 2004 [1]

Net worth (in millions of dollars)



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

Figure J

States with the Largest Number of Residents with Net Worth of \$1.5 Million or More, 2004

[Numbers are in thousands]

State	Number of residents with net worth of \$1.5 million or more	Total adult population [1]	Percentage of adult population
	(1)	(2)	(3)
California	428	26,297	1.6
Florida	199	13,394	1.5
New York	168	14,655	1.1
Texas	108	16,223	0.7
Illinois	101	9,475	1.1
Pennsylvania	86	9,569	0.9
Massachusetts	83	4,952	1.7
New Jersey	79	6,543	1.2
Ohio	61	8,680	0.7
North Carolina	59	6,423	0.9

[1] Statistics on U.S. population in 2004, by State, were obtained from the U.S. Bureau of the Census, available online at <http://www.census.gov/popest/states>.
NOTE: Detail may not add to totals because of rounding.

U.S. adult population, had the second-largest number of residents with net worth of at least \$1.5 million, 199,000, which accounted for 9.1 percent of the total. New York had the third largest number of residents with net worth of at least \$1.5 million, 168,000, or 7.7 percent of the total, but was home to only 6.6 percent of the total U.S. adult population.

The fact that a disproportionate share of the very wealthy lived in California, Florida, and New York is reflected in Figure K, which shows that each of these three States ranked in the top ten in concentration of residents with net worth of at least \$1.5 million. Ranking by concentration eliminates distortions caused by the widely varied populations of the States. Using this measure, Connecticut ranked first with the highest per capita number of residents with net worth of at least \$1.5 million, 1.8 percent. Two of the smallest States in terms of population, Wyoming and Delaware, as well as the District of Columbia, were also in the top ten. In addition to California, Florida, and New York, two other States—Massachusetts and New Jersey—ranked in

Figure K

States with the Highest Concentration of Residents with Net Worth of \$1.5 Million or More, 2004

[Numbers are in thousands]

State	Number of residents with net worth of \$1.5 million or more	Total adult population [1]	Percentage of adult population
	(1)	(2)	(3)
Connecticut	47	2,665	1.8
Massachusetts	83	4,952	1.7
California	428	26,297	1.6
District of Columbia	7	444	1.6
Florida	199	13,394	1.5
Wyoming	5	390	1.3
Delaware	8	637	1.3
New Jersey	79	6,543	1.2
Maryland	50	4,163	1.2

[1] Statistics on U.S. population in 2004, by State, were obtained from the U.S. Bureau of the Census, available online at <http://www.census.gov/popest/states>.
NOTE: Detail may not add to totals because of rounding.

the top ten in both the number of residents with net worth of at least \$1.5 million and the per capita number of these residents.

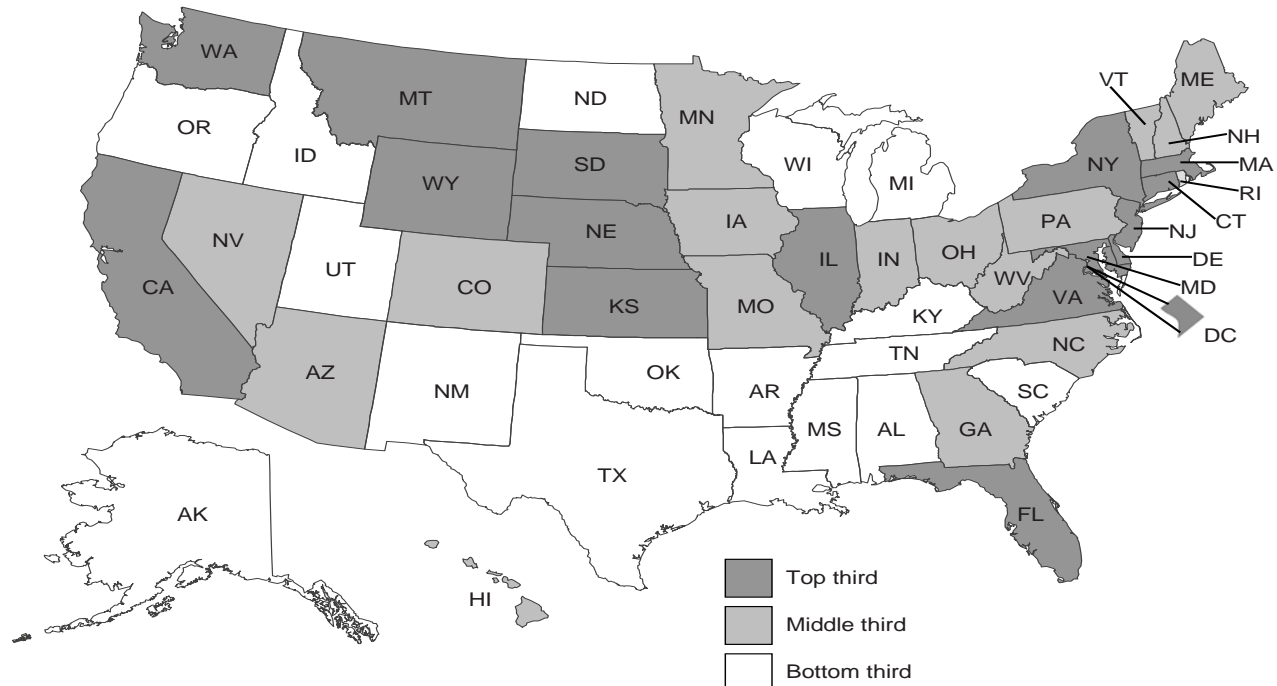
The concentration of residents with at least \$1.5 million in net worth, by State, is shown geographically in Figure L. This figure separates the States (including the District of Columbia) into three groups by per capita number of residents with net worth of at least \$1.5 million. It is interesting to note that the States in the top third, those with the highest number of wealth holders per capita, were geographically distributed fairly evenly across the four major regions of the United States—Northeast, South, Midwest, and West—with four top-third States in each region.⁹

Top Wealth Holders, 1998-2004

Changes in the top wealth holder population over time are best understood against the backdrop of changes in the U.S. economy, since the financial well-being of top wealth holders is likely to be sig-

Figure L

Concentration of Top Wealth Holders with Net Worth of \$1.5 Million or More, by State, 2004



⁹ Regions of the United States are assigned using the classification system of the U.S. Bureau of the Census. See http://www.census.gov/geo/www/us_regdiv.pdf.

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nificantly affected by the health of the economy as a whole. Over the 2 years between 1998 and 2000, the country experienced a period of rapid economic growth, with real Gross Domestic Product (GDP) increasing a total of 8.3 percent.¹⁰ Equity prices during this time also increased rapidly. On January 2, 1998, the S&P 500 stock index closed at 975.04, but, by March 24, 2000, the index closed at a then-record 1527.46, a 56.7-percent increase in less than 27 months.¹¹ Stocks in the technology-laden NASDAQ Composite Index, meanwhile, appreciated even more rapidly during this period, with the index increasing 219.2 percent between January 2, 1998, and its peak close on March 10, 2000.¹²

The period of rapid growth in the economy and stock prices between 1998 and early 2000 gave way to a pronounced retrenchment by the summer of 2001. Between 2000 and 2001, real GDP increased only 0.75 percent. From their March 2000 peaks, the S&P 500 dropped 28.5 percent by September 10, 2001, while the Nasdaq Composite Index shed nearly two-thirds of its value. Despite the historic nature of the September 11 terrorist attacks, however, both the S&P 500 and the Nasdaq Composite Index both closed higher on December 31, 2001, than they had on September 10. The National Bureau of Economic Research (NBER) later declared that the economy was in a recession over the period March 2001 through November 2001.¹³

Between 2001 and 2004, the economy recovered gradually, with real GDP increasing a total of 7.9 percent over the 3 year period. Equity prices during this period posted small nominal gains, with the S&P 500 stock index increasing 5.6 percent from the start of 2002 to the end of 2004, and the Nasdaq Composite Index increasing 11.5 percent.

In the preceding paragraphs, stock index levels are expressed in nominal terms without considering the effects of inflation, which erodes the value of money over time. A look at the real (inflation-adjusted) changes in the value of the stock market between

1998 and 2004 paints a somewhat different picture. The yearly average close for the S&P 500 index, in constant 2004 dollars, was 2.7 percent higher for 2001 than for 1998, but 10.5 percent lower for 2004 than for 2001.¹⁴ For the Nasdaq Composite Index, the yearly average close, in constant 2004 dollars, increased 4.2 percent between 1998 and 2001 before falling 7.0 percent between 2001 and 2004.¹⁵

Although the growth rates of GDP and equity prices experienced considerable turbulence between 1998 and 2004, the value of residential real estate increased steadily throughout this period. Data from the Office of Federal Housing Enterprise Oversight (OFHEO) Home Price Index show a consistent monthly increase from January 1998 through December 2004, with an overall increase of 62.0 percent over this period.¹⁶ Data from the S&P/Case-Shiller 10-City Composite Index, which tracks changes in the value of the residential real estate market in 10 major metropolitan regions across the United States, show a similar, steady monthly increase during this period, with an overall increase of 131.5 percent.¹⁷

As shown in Figure M, the number of individuals with net worth of \$1.5 million or more, in constant 2004 dollars, increased from just over 1.8 million in 1998 to nearly 2.2 million in 2004. Nearly all of this 21.5-percent increase occurred between 1998 and 2001, as the number stayed nearly constant between 2001 and 2004. This is likely due, in part, to the relatively stronger performance of the equity markets in the earlier 3-year period. As will be shown below, stock was a dominant portfolio component of top wealth holders throughout this period. Therefore, the relatively stronger performance of the stock market between 1998 and 2001 than in the later three-year period is likely to have impacted the number of individuals with net worth of \$1.5 million or more.

Figure M also shows that the growth in the number of individuals with net worth of \$1.5 million or more between 1998 and 2004 varied by net worth category. The growth in the number of these top

¹⁰ GDP statistics obtained from the Bureau of Economic Analysis. See <http://www.bea.gov/national/index.htm#gdp>.

¹¹ Data on the S&P 500 index obtained from <http://www2.standardandpoors.com>.

¹² Data on the Nasdaq Composite Index obtained from <http://www.nasdaq.com>.

¹³ Business cycle data obtained from the National Bureau of Economic Research at <http://www.nber.org/cycles.html>.

¹⁴ Yearly average close is defined as the sum of the daily closing values of the index for each trading day during the calendar year divided by the number of trading days.

¹⁵ Money amounts were converted to constant 2004 dollars using the Gross Domestic Product Chain-Type Price Index produced by the Bureau of Economic Analysis. See <http://research.stlouisfed.org/fred2/series/GDPCTPI>.

¹⁶ See the OFHEO HPI Web site at <http://www.ofheo.gov/hpi.aspx>.

¹⁷ See <http://www2.standardandpoors.com> for data from the S&P/Case-Shiller Home Price Index. While this index has more limited geographic coverage than the OFHEO Home Price Index, it may better account for the change in value of homes financed with so-called "subprime" loans. For a detailed comparison of differences between the two indices, see <http://www.ofheo.gov/media/research/OFHEOSPCS12008.pdf>.

Figure M

Number of Top Wealth Holders with Net Worth of \$1.5 Million or More, by Size of Net Worth, 1998-2004

[Numbers are in thousands]

Size of net worth, in constant 2004 dollars [1]	1998	2001	2004	Percentage growth, 1998-2004
	(1)	(2)	(3)	(4)
Total	1,807	2,193	2,196	21.5
\$1.5 million under \$2.0 million	651	754	745	14.4
\$2.0 million under \$3.5 million	685	789	845	23.4
\$3.5 million under \$5.0 million	188	259	248	31.9
\$5.0 million under \$10.0 million	189	260	232	22.8
\$10.0 million or more	94	140	125	33.0

[1] Net worth was converted to constant 2004 dollars using the Gross Domestic Product Chain-type Price Index produced by the Bureau of Economic Analysis. See <http://research.stlouisfed.org/fred2/series/GDPCTPI>.

wealth holders between 1998 and 2001 was most pronounced for those with net worth of \$3.5 million or more, with more modest gains in the number of individuals with net worth between \$1.5 million and \$3.5 million. In contrast, between 2001 and 2004, the number of individuals with net worth of \$3.5 million or more declined, while the number of those with net worth between \$1.5 million and \$3.5 mil-

lion increased. This pattern may reflect, in part, the movement of some top wealth holders from the higher net worth categories into lower net worth categories as their portfolio values declined in real terms.

Changes in the asset portfolio of top wealth holders between 1998 and 2004 are shown in Figure N. For individuals with net worth of \$1.5 million or more, in constant 2004 dollars, the amount held in stock was nearly \$3.4 trillion in 1998, \$4.1 trillion in 2001, but only \$3.3 trillion in 2004. In contrast, the value of real estate assets held by individuals with this level of wealth increased from almost \$1.4 trillion in 1998 to \$1.9 trillion in 2001 and \$2.3 trillion in 2004.

It is important to note that asset portfolio changes can arise both from the appreciation or depreciation of asset types, as well as the reallocation of assets within the portfolio. Research suggests that individuals “chase returns” by reallocating their portfolios to shift more resources into assets that have performed well in the recent past, or, conversely, shifting assets away from assets that have performed poorly.¹⁸ Shifts in the portfolio composition of top wealth holders between 1998 and 2004 suggest that some “return chasing” may have taken place, although these changes may not be statistically significant.

Figure N

Top Wealth Holders with Net Worth of \$1.5 Million or More, Selected Assets as a Percentage of Total Assets, 1998-2004

[Numbers are in thousands]

Selected asset	1998		2001		2004	
	Amount	Percentage of total assets	Amount	Percentage of total assets	Amount	Percentage of total assets
	(1)			(2)	(3)	(4)
All stock [2]	3,382,551	42.9	4,109,947	36.9	3,267,301	31.6
All real estate	1,368,076	17.3	1,866,500	16.8	2,276,462	22.0
Other financial assets [3]	1,247,031	15.8	1,583,538	14.2	1,477,658	14.3
Cash assets [4]	633,152	8.0	927,083	8.3	938,019	9.1
Retirement assets [5]	549,942	7.0	1,026,137	9.2	937,625	9.1

[1] Money amounts converted to constant 2004 dollars using the Gross Domestic Product Chain-type Price Index produced by the Bureau of Economic Analysis. See <http://research.stlouisfed.org/fred2/series/GDPCTPI>.

[2] Includes publicly traded and closely held stock.

[3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.

[4] Includes cash and cash management accounts.

[5] Includes individual retirement accounts, annuities, and self-employed or Keogh plans.

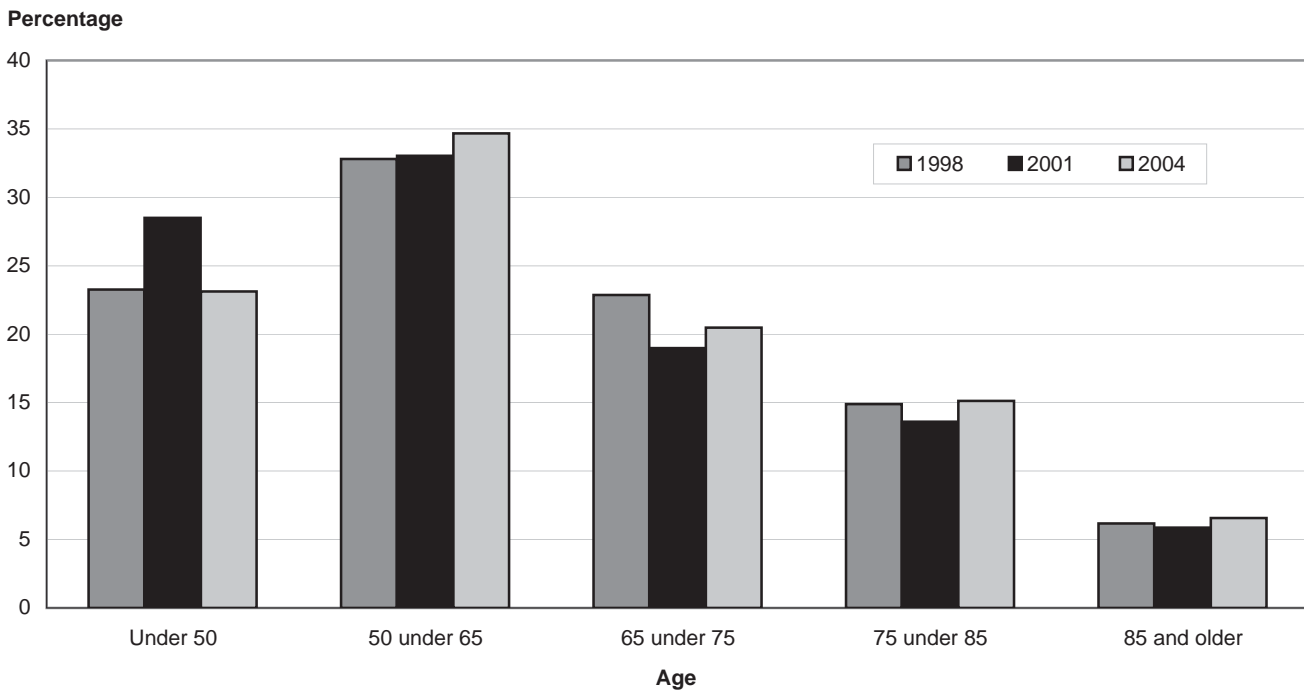
¹⁸ See, for example, Friesen, G. and T. Sapp, “Mutual Fund Flows and Investor Returns: An Empirical Examination of Fund Investor Timing Ability,” *Journal of Banking and Finance*, September 2007, pp. 2796-2816.

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Figure 0

Percentage of Top Wealth Holders with \$1.5 Million or More in Net Worth, by Age, 1998-2004 [1]



[1] In constant 2004 dollars using the Gross Domestic Product Chain-type Price Index produced by the Bureau of Economic Analysis. See <http://research.stlouisfed.org/fred2/series/GDPCTPI>.

In 1998, over 91 percent of top wealth holders held stock in their portfolios. In 2001, after the significant decline in the stock market beginning in March 2000, a slightly smaller portion of the top wealth holder population, 89 percent, held stock. In 2004, after 3 more years of relatively weak performance in the stock market, less than 87 percent of top wealth holders held stock in their portfolios.

Another way to look at changes in the top wealth holder population between 1998 and 2004 is to look at changes in the age distribution. Figure O shows the percentage of individuals with net worth of \$1.5 million or more in each of three age groups—under 50, 50 under 65, and 65 or older. Overall, the figure shows that the age distribution of these wealthy individuals was relatively stable over time, with the exception being an increase in those under 50 for 2001.¹⁹

Concentration Estimates

The share of total U.S. wealth held by the Nation's top wealth holders has long been a topic of interest for researchers and the general public. One way of looking at year-to-year changes in the distribution of wealth is to examine the share of total U.S. wealth held by a constant percentage of the population. Figure P shows the percentages of total U.S. wealth held by the top 1.0 percent and the top 0.5 percent of the population between 1989 and 2004.²⁰

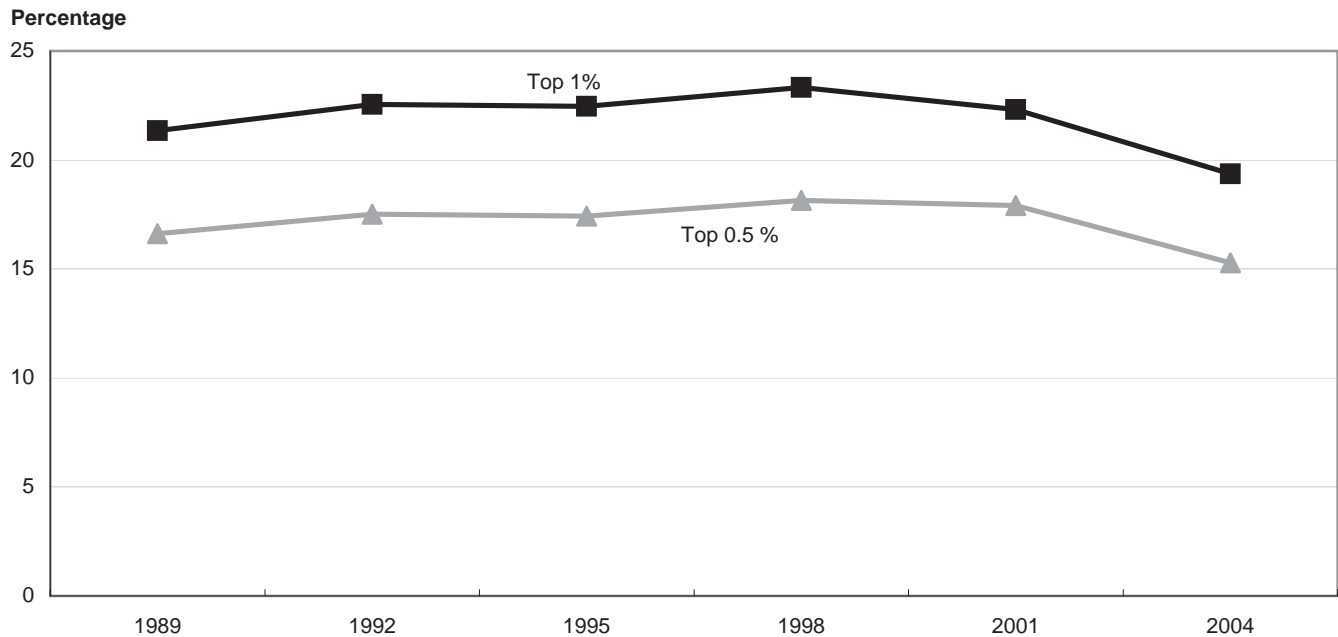
In 2004, 1.0 percent of the U.S. adult population was approximately 2.2 million individuals. These individuals owned approximately 19.4 percent of total U.S. individual wealth, a 2.9-percent decrease since 2001, although this difference may not be statistically significant. A similar pattern was evident in the share of wealth held by the over 1.1 million individu-

¹⁹ At least a portion of this increase can be attributed to sampling variance; in particular, on the unusually large number of relatively young, wealthy individuals who died as a result of the terrorist attacks of September 11, 2001. The estate multipliers, or sample weights, used to produce these wealth estimates are computed using mortality rates that are smoothed to minimize normal year-to-year variations in the U.S. decedent population. These rates cannot easily be adjusted to accurately reflect the mortality rate actually experienced by this subpopulation due to these tragic events, meaning that the resulting estimates of wealth for young, wealthy individuals in the living population based on data reported for these decedents may be biased slightly upward.

²⁰ U.S. Census Bureau, 2004.

Figure P

Percentage of Total U.S. Net Worth Held by Top 1 Percent and 0.5 Percent of the U.S. Population, 1989-2004



als who made up the top 0.5 percent of the U.S. adult population in 2004. They held about 15.3 percent of the Nation's net worth in 2004, down from 17.9 percent in 2001, although, as noted above, this difference may be within the sampling error of these estimates. Overall, these results suggest that the share of wealth held by the very wealthiest Americans has stayed within a relatively narrow range over the 15-year period.²¹

Summary

An estimated 2.7 million U.S. adults in 2004 had gross assets of \$1.5 million or more. These top wealth holders combined to hold over \$10.2 trillion in net worth. A little less than 1.6 million, or 57.0 percent, of top wealth holders were men, while just under 1.2 million were women. Most wealthy individuals of both genders were married, although a significantly higher proportion of wealthy females were widowed compared to widowed wealthy males. Although the median net worth of male and female top wealth holders was similar, men had a significantly higher average net worth, reflecting the

impact of a relatively small number of extremely wealthy men.

The asset portfolio of top wealth holders varied considerably by gender, age, and relative wealth. Women's portfolios contained a greater proportion held in personal residences and publicly traded stock than those of men. Conversely, men's portfolios were made up of proportionately more closely held stock and business assets. For top wealth holders of both genders, the wealthiest individuals held proportionately more of their assets in stock and less in real estate than their less wealthy counterparts. Additionally, the value of the personal residence made up a smaller percentage of the portfolios held by older top wealth holders than in the portfolios held by younger individuals. Men in each age and wealth class had a higher ratio of debts to assets than their female counterparts.

In 2004, California had the largest number of individuals with net worth of \$1.5 million or more, while Connecticut had the highest per capita population of these very wealthy residents. States with a relatively high concentration of residents with net worth

²¹ These results are similar to with those derived from the Federal Reserve Board's Survey of Consumer Finances (Kennickell, 2006).

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of \$1.5 million or more were distributed relatively evenly across the major regions of the United States.

Between 1998 and 2004, there was a significant increase in the number of individuals with net worth of \$1.5 million or more. Most of this increase occurred between 1998 and 2001, as the number of individuals with net worth of \$1.5 million was nearly identical in 2001 and 2004. The value of stock held by very wealthy individuals increased substantially between 1998 and 2001, before falling in the 2001 through 2004 period. In contrast, the value of real estate held by individuals with net worth of \$1.5 million or more increased steadily between 1998 and 2004.

Data Sources and Limitations

Statistics of Income collects data from an annual sample of Federal estate tax returns that are used primarily for policy and budget purposes. The sample follows a 3-year cycle that is designed mainly to accommodate year-of-death estimates, with each study concentrating on decedents who died in the first year (the focus year) of the 3-year cycle. The annual samples are also adequate for producing filing-year estimates.

Year-of-death estimates are desirable, because filing extensions and other filing delays mean that returns filed in any given calendar year may represent decedents who died in many different years. Thus, estate tax return data for a single filing year may reflect different economic and tax law conditions. By concentrating on a single year of death, these limitations can be overcome, making it possible to study the data in the context of a single time period.

Returns are selected using a stratified random sample with three stratifying variables. The stratifying variables are: year of death (focus year versus nonfocus years), total gross estate plus certain adjusted taxable gifts made during a decedent's lifetime, and age at death. The gross estate plus gifts variable is divided into four categories: \$1.5 million under \$2.5 million, \$2.5 million under \$5 million, \$5 million under \$10 million, and \$10 million or more. Age at death is also divided into five categories: under 40, 40 under 50, 50 under 65, 65 under 75, and

75 and older. Sample rates vary from 3 percent to 100 percent, with over half the strata selected with certainty, i.e., at the 100-percent rate.

SOI has combined Federal estate tax returns filed in 2004, 2005, and 2006 to produce the estimates of wealth for 2004 presented here. One of the strengths of estimates derived from SOI samples of estate tax returns is the large sample on which the estimates are based. The 2004 sample includes more than 25,800 returns.²²

While the sample size and richness of available data make the estimation techniques used in this study attractive, there are limitations to be noted. First, and most important, estate tax returns provide a presumably random sample, stratified by age, not of the total population, but of living persons with gross estates at or above the estate tax filing threshold. Sample rates are approximated by appropriate mortality rates. However, determining appropriate mortality rates for use in calculating sample weights is by no means a straightforward exercise. The Appendix to this article discusses the estate multiplier technique and recent innovations in calculating sample weights for SOI's personal wealth estimates.

Second, while estate tax returns are generally prepared by professionals and are, therefore, likely to be more accurate in detail than survey responses, the values reported are used to compute tax liability, so that there is a natural tendency for the values to be somewhat conservative. This is especially true for hard-to-value assets, such as businesses and certain types of real estate.

It should also be noted that the estate tax data used for these estimates are preaudit figures. A Statistics of Income (SOI) study, based on the results of IRS audits of estate tax returns, estimated that detected undervaluation of assets was about 1.2 percent of total asset holdings.²³ In addition, it is common to claim substantial discounts when valuing ownership interests of less than 50 percent in small companies, partnerships, and other nonliquid assets. Increasingly, estate planning techniques are used to fracture ownership interests in a variety of business and financial assets to take advantage of these discounts.

²² Although the overall sample of estate tax returns is large, the number of decedents who were young (less than 40) or extremely wealthy (gross assets of \$5 million or more) in any given year varies considerably and is small in comparison to their numbers in the living population. Because of this, the resulting estimates of wealth for these two categories of living individuals would be subject to significant fluctuations from period to period. To reduce this variance, the sample is "smoothed" by including all returns for young or wealthy decedents filed during the 3-year sample period without regard to their years of death. These segments of the sample are then poststratified and reweighted to represent the true decedent population for the year of interest. This technique reduces the effect of outliers on estimates of personal wealth.

²³ Eller, Martha Britton (2001), "Audit Revaluation of Federal Estate Tax Returns," *Internal Revenue Service Statistics of Income Bulletin*, Winter 2000-2001, Washington, DC.

Third, while estate tax returns report assets that are owned outright, total wealth might ideally include wealth to which a person has an income interest but not necessarily actual title. Examples of the latter include defined-benefit pension plans and Social Security benefits.

Finally, the wealth of some individuals near death may differ somewhat from that of the general population in the same age cohort. For some, portfolios may have been altered or simplified to ensure the uninterrupted continuation of an ongoing business or to simplify the task of executing the estate. For others, wealth will have been reduced through expenses related to a final illness. In many cases, effective estate planning may also have reduced the value of the estate reportable for tax purposes.

Appendix: The Estate Multiplier Technique

The estate multiplier technique assumes that estate tax returns, taken as a whole, represent a random sample of the living wealthy population and thus provide a means of producing reasonable estimates of personal wealth.²⁴ Estimates of the wealth holdings of the living population are derived by applying a multiplier, based on appropriate mortality rates, to this sample. The multiplier is equivalent to a sampling weight where the probabilities of selection include the probability of being a decedent and also that of being included in the Statistics of Income sample of estate tax returns.

Mathematically, this is represented as

MULT= 1 / (p · r) where:

p = probability of selection to the estate tax sample,
r = mortality rate appropriate to wealthy individuals.

Some smoothing of the multipliers was employed to constrain both tails of the net worth distribution.

The more difficult computation is determining the probability of being a decedent. Mortality rates for

the general population, by age and sex, are available from the National Center for Health Statistics. However, there is much evidence that the wealthy have mortality rates significantly lower than those of the entire population. Research has demonstrated that individuals who are economically or socially better off also live longer, on average, and are healthier.²⁵

Factors such as access to better health services, better diet and nutrition, and fewer work-related risks seem to contribute to this phenomenon. If mortality and wealth are inversely related, then mortality rates for the general population, unadjusted for wealth level, will result in multipliers that are too low and, thus, undervalue wealth. Therefore, it is important to determine a mortality rate appropriate to the wealthy decedents in the estate tax return filing population.

There have been a considerable number of attempts to quantify differences between the mortality of the general population and that of the very wealthy, looking at such factors as education, income, and occupation. In years prior to 2001, SOI calculated mortality rates for its Personal Wealth estimates by adjusting mortality rates for the entire population using mortality differentials derived from the National Longitudinal Mortality Study (NLMS) sponsored by the National Institutes of Health.

Starting with the 2001 estimates, however, estate multipliers have been calculated using mortality rates for holders of large dollar value annuity policies obtained from the Society of Actuaries (SOA). This data source has several advantages relative to using the NLMS mortality differentials. First, the annuitant mortality rates are available for every year, in contrast to the NLMS differentials, which are updated on a biennial cycle. Second, use of this source is consistent with other academic research within and outside the IRS.²⁶ For consistency, estimates for 1998 used in this article were recalculated using the annuitant mortality rates.

²⁴ See Atkinson, A.B. and A.J. Harrison (1978), *Distribution of Personal Wealth in Britain*, Cambridge University Press, London, for a thorough discussion of the estate multiplier technique.

²⁵ See, for example, Attanasio, O. and C. Emmerson (2003), "Mortality, Health Status, and Wealth," *Journal of the European Economic Association*, June 2003, Volume 1, Number 4, pp. 821-850.

²⁶ See, for example, Friedberg, Leora and Anthony Webb, "Life is Cheap: Using Mortality Bonds to Hedge Aggregate Mortality Risk," January 2006, NBER Working Paper Number W11984.

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Table 1. Personal Wealth 2004: Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	2,728	11,076,759	2,099	850,622	2,728	10,201,246	2,062	1,185,941
Under \$1.5 million [1]	531	736,039	468	231,035	531	480,113	410	176,105
\$1.5 million under \$2.0 million	746	1,386,077	544	98,187	746	1,287,890	549	229,369
\$2.0 million under \$3.5 million	846	2,316,701	614	147,370	846	2,169,331	639	342,206
\$3.5 million under \$5.0 million	247	1,082,889	192	58,950	247	1,023,939	194	127,444
\$5.0 million under \$10.0 million	231	1,668,002	176	104,811	231	1,563,191	173	148,543
\$10.0 million under \$20.0 million	79	1,155,326	64	69,849	79	1,085,477	61	76,472
\$20.0 million or more	47	2,731,726	40	140,421	47	2,591,305	36	85,802

Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	1,531	1,402,029	682	1,127,194	2,100	2,247,269	994	700,114
Under \$1.5 million [1]	255	134,674	119	42,431	339	63,062	73	8,255
\$1.5 million under \$2.0 million	406	206,626	140	69,066	567	219,818	264	61,720
\$2.0 million under \$3.5 million	475	329,893	187	141,272	670	415,249	336	110,990
\$3.5 million under \$5.0 million	153	152,634	86	95,958	209	209,459	123	71,715
\$5.0 million under \$10.0 million	149	230,146	82	165,781	202	373,575	122	121,735
\$10.0 million under \$20.0 million	58	137,770	35	136,144	69	246,824	47	104,650
\$20.0 million or more	35	210,286	32	476,542	43	719,282	29	221,051

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(19)	(20)	(17)	(18)	(21)	(22)	(23)	(24)
Total	246	13,244	489	180,708	630	109,159	222	22,678
Under \$1.5 million [1]	39	488	45	2829	52	2,039	26	885
\$1.5 million under \$2.0 million	74	3,334	126	20,084	174	16,096	63	3,854
\$2.0 million under \$3.5 million	87	6,220	181	32,518	222	25,279	81	6,339
\$3.5 million under \$5.0 million	23	1,811	51	12,762	76	10,876	20	2,289
\$5.0 million under \$10.0 million	15	941	52	24,323	66	16,170	20	2,794
\$10.0 million under \$20.0 million	5	316	20	18,589	26	11,411	8	4,555
\$20.0 million or more	2	134	14	69,605	14	27,288	4	1,961

Footnotes at end of table.

Table 1. Personal Wealth 2004: Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds [2]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	793	96,627	2,563	574,681	1,880	414,165	650	283,451
Under \$1.5 million [1]	108	4,333	495	35,184	284	15,451	89	15,339
\$1.5 million under \$2.0 million	216	15,223	705	92,092	500	41,807	151	35,321
\$2.0 million under \$3.5 million	259	24,618	785	128,397	610	89,745	184	43,906
\$3.5 million under \$5.0 million	83	12,969	235	66,514	193	43,687	80	28,700
\$5.0 million under \$10.0 million	80	10,358	221	70,890	184	70,232	81	47,846
\$10.0 million under \$20.0 million	28	9,677	77	48,881	67	62,226	38	40,314
\$20.0 million or more	18	19,449	46	132,723	42	91,016	27	72,025

Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	998	144,481	643	566,615	277	300,787	394	362,713
Under \$1.5 million [1]	231	38,255	115	30,088	39	23,792	35	7,580
\$1.5 million under \$2.0 million	272	36,671	119	32,822	72	48,882	79	10,399
\$2.0 million under \$3.5 million	302	41,380	183	84,464	95	78,157	111	30,335
\$3.5 million under \$5.0 million	76	10,662	68	48,385	22	29,036	52	19,649
\$5.0 million under \$10.0 million	79	11,243	90	99,091	29	38,332	57	50,368
\$10.0 million under \$20.0 million	25	3,731	37	75,794	11	28,359	32	53,605
\$20.0 million or more	15	2,540	29	195,972	8	54,228	27	190,777

Size of net worth	Retirement assets		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	2,063	1,048,730	177	49,891	2,460	246,286
Under \$1.5 million [1]	423	111,516	10	531	481	23,202
\$1.5 million under \$2.0 million	556	212,106	33	712	669	30,076
\$2.0 million under \$3.5 million	639	337,328	46	1,602	750	46,804
\$3.5 million under \$5.0 million	185	115,965	23	1,552	226	20,821
\$5.0 million under \$10.0 million	170	148,559	29	4,066	212	33,010
\$10.0 million under \$20.0 million	58	64,313	17	7,052	76	24,643
\$20.0 million or more	33	58,942	18	34,375	46	67,730

[1] Includes individuals with zero or negative net worth.

[2] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[3] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

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Table 2. Personal Wealth 2004: Male Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	1,555	6,471,540	1,208	583,805	1,555	5,862,844	1,144	597,971
Under \$1.5 million [1]	389	528,017	339	184,673	389	318,454	298	117,554
\$1.5 million under \$2.0 million	359	675,321	258	54,149	359	621,172	257	97,605
\$2.0 million under \$3.5 million	465	1,289,522	346	96,654	465	1,192,868	339	163,984
\$3.5 million under \$5.0 million	131	578,304	102	37,496	131	540,808	100	60,123
\$5.0 million under \$10.0 million	135	989,077	100	74,003	135	915,074	95	68,653
\$10.0 million under \$20.0 million	47	679,613	38	41,466	47	638,146	33	38,710
\$20.0 million or more	30	1,731,686	25	95,364	30	1,636,322	22	51,342

Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	882	828,055	469	833,929	1,156	1,140,665	480	348,496
Under \$1.5 million [1]	182	96,796	100	36,177	249	42,494	45	4,639
\$1.5 million under \$2.0 million	203	105,224	85	44,376	261	94,788	104	21,604
\$2.0 million under \$3.5 million	265	179,481	130	102,116	357	199,844	162	48,090
\$3.5 million under \$5.0 million	83	80,919	53	63,006	108	95,417	58	28,664
\$5.0 million under \$10.0 million	92	151,731	56	110,961	113	200,003	65	63,297
\$10.0 million under \$20.0 million	35	75,459	23	97,601	41	135,157	27	55,734
\$20.0 million or more	23	138,446	21	379,692	27	372,962	18	126,469

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(19)	(20)	(17)	(18)	(21)	(22)	(23)	(24)
Total	147	6,469	225	82,702	305	62,350	109	10,768
Under \$1.5 million [1]	30	302	25	1,364	32	1,418	18	521
\$1.5 million under \$2.0 million	40	1,360	50	6,402	71	6,638	23	1,347
\$2.0 million under \$3.5 million	50	3,378	83	17,057	107	13,323	41	2,948
\$3.5 million under \$5.0 million	12	717	23	5,938	35	5,306	9	1,240
\$5.0 million under \$10.0 million	9	445	25	10,925	36	8,152	11	1,619
\$10.0 million under \$20.0 million	3	162	11	10,983	14	7,138	4	1,628
\$20.0 million or more	1	105	8	30,034	10	20,374	3	1,464

Footnotes at end of table.

Table 2. Personal Wealth 2004: Male Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds [2]		Cash		Cash management accounts		Mortgages and notes	
	Number (25)	Amount (26)	Number (27)	Amount (28)	Number (29)	Amount (30)	Number (31)	Amount (32)
Total	417	53,014	1,461	351,407	1,027	213,375	402	189,942
Under \$1.5 million [1]	78	2,748	361	24,123	204	10,387	71	11,354
\$1.5 million under \$2.0 million	95	6,150	339	40,470	229	16,109	81	19,221
\$2.0 million under \$3.5 million	128	11,824	436	73,508	328	44,123	111	28,290
\$3.5 million under \$5.0 million	43	7,482	122	35,249	97	18,907	48	17,418
\$5.0 million under \$10.0 million	44	4,895	129	44,827	102	37,345	51	31,878
\$10.0 million under \$20.0 million	16	5,505	45	27,624	40	31,843	24	26,848
\$20.0 million or more	12	14,409	29	105,608	26	54,661	17	54,933

Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number (33)	Amount (34)	Number (35)	Amount (36)	Number (37)	Amount (38)	Number (39)	Amount (40)
Total	685	102,716	430	382,753	174	178,803	215	211,350
Under \$1.5 million [1]	182	30,925	98	26,699	32	18,686	21	5,011
\$1.5 million under \$2.0 million	161	22,345	72	21,362	39	25,421	34	5,252
\$2.0 million under \$3.5 million	203	28,669	119	57,613	57	44,810	62	16,948
\$3.5 million under \$5.0 million	54	7,815	40	29,601	14	15,702	30	13,552
\$5.0 million under \$10.0 million	54	7,927	56	57,200	19	25,178	34	31,793
\$10.0 million under \$20.0 million	18	2,896	24	54,326	7	15,838	18	28,725
\$20.0 million or more	12	2,138	19	135,951	5	33,167	17	110,069

Size of net worth	Retirement assets		Art		Other assets	
	Number (41)	Amount (42)	Number (43)	Amount (44)	Number (45)	Amount (46)
Total	1,223	717,051	80	24,970	1,401	134,757
Under \$1.5 million [1]	311	79,471	8	480	352	16,868
\$1.5 million under \$2.0 million	277	122,427	11	364	321	16,855
\$2.0 million under \$3.5 million	368	226,969	22	1,012	414	25,535
\$3.5 million under \$5.0 million	102	79,458	9	603	119	11,187
\$5.0 million under \$10.0 million	104	111,775	13	2,805	122	17,669
\$10.0 million under \$20.0 million	38	48,923	8	2,330	44	12,184
\$20.0 million or more	22	48,026	10	17,376	29	34,459

[1] Includes individuals with zero or negative net worth.

[2] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[3] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

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Table 3. Personal Wealth 2004: Female Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	1,173	4,605,219	891	266,817	1,173	4,338,402	918	587,970
Under \$1.5 million [1]	143	208,021	129	46,362	143	161,659	113	58,550
\$1.5 million under \$2.0 million	387	710,757	286	44,038	387	666,719	291	131,764
\$2.0 million under \$3.5 million	380	1,027,179	268	50,716	380	976,463	300	178,222
\$3.5 million under \$5.0 million	116	504,585	89	21,454	116	483,131	94	67,321
\$5.0 million under \$10.0 million	96	678,924	77	30,808	96	648,116	79	79,890
\$10.0 million under \$20.0 million	33	475,713	27	28,382	33	447,331	28	37,762
\$20.0 million or more	18	1,000,040	15	45,057	18	954,983	14	34,461

Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	649	573,974	213	293,264	944	1,106,604	514	351,618
Under \$1.5 million [1]	72	37,879	19	6,255	90	20,568	27	3,616
\$1.5 million under \$2.0 million	203	101,402	55	24,690	307	125,030	160	40,116
\$2.0 million under \$3.5 million	209	150,412	57	39,155	314	215,405	174	62,900
\$3.5 million under \$5.0 million	70	71,714	33	32,953	101	114,042	64	43,051
\$5.0 million under \$10.0 million	58	78,416	27	54,820	88	173,572	58	58,437
\$10.0 million under \$20.0 million	24	62,312	12	38,543	28	111,667	20	48,916
\$20.0 million or more	12	71,840	11	96,849	16	346,320	12	94,581

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(19)	(20)	(17)	(18)	(21)	(22)	(23)	(24)
Total	99	6,775	264	98,007	324	46,809	113	11,910
Under \$1.5 million [1]	9	185	21	1,465	19	621	9	365
\$1.5 million under \$2.0 million	34	1,974	76	13,682	103	9,457	40	2,507
\$2.0 million under \$3.5 million	37	2,843	97	15,461	115	11,956	39	3,391
\$3.5 million under \$5.0 million	11	1,095	28	6,824	41	5,570	12	1,049
\$5.0 million under \$10.0 million	6	496	27	13,398	30	8,018	9	1,175
\$10.0 million under \$20.0 million	2	154	9	7,606	11	4,272	4	2,926
\$20.0 million or more	1	29	6	39,571	5	6,913	1	497

Footnotes at end of table.

Table 3. Personal Wealth 2004: Female Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds [2]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	376	43,613	1,102	223,274	853	200,790	247	93,509
Under \$1.5 million [1]	30	1,584	133	11,061	80	5,064	18	3,986
\$1.5 million under \$2.0 million	121	9,073	366	51,623	271	25,698	71	16,099
\$2.0 million under \$3.5 million	131	12,793	348	54,890	282	45,623	73	15,615
\$3.5 million under \$5.0 million	40	5,487	113	31,266	96	24,781	32	11,283
\$5.0 million under \$10.0 million	36	5,463	92	26,063	82	32,887	30	15,968
\$10.0 million under \$20.0 million	12	4,172	32	21,257	27	30,383	14	13,466
\$20.0 million or more	6	5,040	17	27,115	15	36,355	10	17,092

Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	314	41,766	213	183,863	103	121,984	179	151,363
Under \$1.5 million [1]	49	7,329	17	3,389	7	5,106	14	2,568
\$1.5 million under \$2.0 million	111	14,326	47	11,460	33	23,461	46	5,146
\$2.0 million under \$3.5 million	98	12,712	64	26,851	38	33,347	50	13,387
\$3.5 million under \$5.0 million	22	2,846	28	18,783	8	13,333	23	6,097
\$5.0 million under \$10.0 million	25	3,316	34	41,891	10	13,154	23	18,575
\$10.0 million under \$20.0 million	6	835	13	21,468	4	12,521	14	24,881
\$20.0 million or more	3	402	10	60,021	3	21,061	10	80,708

Size of net worth	Retirement assets		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	840	331,679	96	24,920	1,059	111,530
Under \$1.5 million [1]	112	32,045	3	51	130	6,334
\$1.5 million under \$2.0 million	279	89,679	22	348	348	13,221
\$2.0 million under \$3.5 million	270	110,359	24	590	336	21,269
\$3.5 million under \$5.0 million	82	36,507	15	949	107	9,635
\$5.0 million under \$10.0 million	66	36,784	15	1,261	90	15,341
\$10.0 million under \$20.0 million	20	15,390	9	4,723	32	12,459
\$20.0 million or more	10	10,916	8	16,999	17	33,271

[1] Includes individuals with zero or negative net worth.

[2] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[3] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

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Table 4. Personal Wealth 2004: Male Top Wealth Holders with Gross Assets

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Age	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	1,555	6,471,540	1,208	583,805	1,555	5,862,844	1,144	597,971
Under 50	504	1,574,213	436	278,616	504	1,270,706	369	195,305
50 under 65	541	2,352,406	420	192,499	541	2,159,907	412	214,106
65 under 75	269	1,243,488	189	71,684	269	1,171,804	200	97,363
75 under 85	174	950,436	118	32,371	174	918,065	124	68,479
85 and older	66	350,996	45	8,635	66	342,361	40	22,718

Age	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	882	828,055	469	833,929	1,156	1,140,665	480	348,496
Under 50	248	208,018	173	247,875	341	248,653	83	53,864
50 under 65	342	318,486	185	341,601	403	313,589	162	100,564
65 under 75	167	175,539	71	140,477	208	199,448	94	66,442
75 under 85	97	97,472	33	86,064	147	248,770	97	82,849
85 and older	28	28,540	8	17,912	57	130,206	44	44,776

Age	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	147	6,469	225	82,702	305	62,350	109	10,768
Under 50	31	1,153	49	15,417	66	12,487	30	3,506
50 under 65	50	1,350	69	24,165	98	17,106	36	3,462
65 under 75	36	1,360	41	13,637	64	11,269	23	1,726
75 under 85	23	1,946	45	21,333	53	15,422	14	1,516
85 and older	7	660	21	8,149	25	6,066	7	558

Footnotes at end of table.

Table 4. Personal Wealth 2004: Male Top Wealth Holders with Gross Assets—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Age	Diversified mutual funds [1]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	417	53,014	1,461	351,407	1,027	213,375	402	189,942
Under 50	105	10,914	462	75,796	301	48,221	121	53,587
50 under 65	150	17,444	512	151,599	353	75,925	140	66,884
65 under 75	82	12,660	256	57,050	192	41,967	79	36,536
75 under 85	58	8,798	167	46,686	132	34,248	48	26,301
85 and older	21	3,197	64	20,277	50	13,014	14	6,634

Age	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	685	102,716	430	382,753	174	178,803	215	211,350
Under 50	205	33,404	158	121,152	40	27,897	46	41,037
50 under 65	254	39,224	164	150,551	70	81,170	83	69,063
65 under 75	116	15,862	61	64,146	31	36,405	43	55,057
75 under 85	80	10,468	37	39,511	26	24,224	34	35,262
85 and older	30	3,758	10	7,393	8	9,107	10	10,931

Age	Retirement assets [2]		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	1,223	717,051	80	24,970	1,401	134,757
Under 50	383	139,964	21	1,900	445	34,062
50 under 65	457	299,280	29	9,114	493	57,724
65 under 75	221	187,465	16	6,349	250	22,732
75 under 85	131	81,427	11	4,529	157	15,131
85 and older	31	8,915	4	3,078	56	5,108

[1] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[2] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

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Table 5. Personal Wealth 2004: Female Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Age

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Age	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	1,173	4,605,219	891	266,817	1,173	4,338,402	918	587,970
Under 50	303	1,053,317	245	106,773	303	946,543	240	160,882
50 under 65	410	1,622,172	319	105,709	410	1,516,463	341	229,420
65 under 75	210	825,374	145	31,890	210	793,484	171	99,494
75 under 85	169	741,763	117	16,653	169	725,110	118	70,226
85 and older	81	362,594	65	5,792	81	356,802	48	27,948

Age	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	649	573,974	213	293,264	944	1,106,604	514	351,618
Under 50	132	94,367	59	90,678	235	263,205	95	48,019
50 under 65	253	251,171	86	105,724	321	298,652	154	99,834
65 under 75	141	126,587	41	46,905	174	200,890	108	71,347
75 under 85	91	71,720	21	38,909	143	205,107	104	88,059
85 and older	31	30,130	6	11,048	70	138,750	53	44,358

Age	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	99	6,775	264	98,007	324	46,809	113	11,910
Under 50	17	196	57	14,150	68	7,846	25	2,420
50 under 65	32	1,089	73	32,704	97	15,388	43	5,773
65 under 75	19	2,250	62	11,070	75	9,247	20	1,343
75 under 85	20	1,993	44	28,835	55	8,480	17	1,294
85 and older	11	1,246	28	11,248	30	5,849	8	1,080

Footnotes at end of table.

Table 5. Personal Wealth 2004: Female Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Age—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Age	Diversified mutual funds [1]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	376	43,613	1,102	223,274	853	200,790	247	93,509
Under 50	87	8,440	269	45,727	211	59,997	62	21,884
50 under 65	133	16,158	387	63,868	297	61,975	85	34,143
65 under 75	74	6,914	202	35,707	149	36,062	46	17,318
75 under 85	55	8,977	165	53,459	134	28,644	40	14,374
85 and older	27	3,124	79	24,513	61	14,113	14	5,790

Age	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	314	41,766	213	183,863	103	121,984	179	151,363
Under 50	75	10,654	62	59,753	11	14,440	43	30,229
50 under 65	127	16,926	78	62,657	38	53,246	61	81,151
65 under 75	53	6,907	45	24,239	30	30,252	42	18,829
75 under 85	43	5,348	21	30,188	16	17,526	23	13,722
85 and older	15	1,931	7	7,026	7	6,519	10	7,431

Age	Retirement assets [2]		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	840	331,679	96	24,920	1,059	111,530
Under 50	220	79,313	17	1,847	271	39,267
50 under 65	330	144,566	36	8,515	376	39,213
65 under 75	156	62,698	25	2,662	190	14,655
75 under 85	106	37,538	12	5,081	155	12,283
85 and older	28	7,564	6	6,815	68	6,111

[1] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[2] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

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Table 6. Top Wealth Holders with Net Worth of \$1.5 Million or More, Net Worth and Selected Assets, by State of Residence, 2004 [1]

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

State of residence	Net worth		Financial assets [2]		All real estate		All other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	2,196	9,721,133	2,194	6,622,433	1,974	2,277,191	2,042	1,441,099
Alabama	18	79,123	18	53,629	17	17,512	18	12,646
Alaska	1	4,776	1	3,384	1	897	1	682
Arizona	36	139,861	36	96,570	33	34,175	34	16,737
Arkansas	11	94,704	11	79,760	10	8,075	11	14,051
California	428	1,793,642	427	996,853	404	691,416	405	247,481
Colorado	32	163,324	32	98,430	29	51,571	31	27,349
Connecticut	47	197,801	47	129,299	41	63,737	45	20,351
Delaware	8	30,923	8	19,418	6	8,121	7	5,007
District of Columbia	7	27,850	7	16,495	7	8,416	7	4,231
Florida	199	904,014	198	612,124	177	221,033	188	138,936
Georgia	56	270,677	56	211,199	51	60,494	54	41,528
Hawaii	7	22,552	6	11,903	7	10,647	5	1,825
Idaho	5	23,982	5	17,509	5	4,055	5	4,187
Illinois	101	476,354	101	349,822	83	77,028	90	68,659
Indiana	32	112,272	32	87,147	26	13,344	29	14,939
Iowa	18	55,332	18	34,395	14	5,635	18	18,996
Kansas	21	65,084	21	45,121	18	8,376	21	13,388
Kentucky	18	65,404	18	48,258	17	8,018	18	11,347
Louisiana	22	92,315	22	72,653	22	15,543	22	10,383
Maine	8	35,173	8	28,677	7	5,950	7	1,928
Maryland	50	191,279	50	134,922	47	37,892	45	27,589
Massachusetts	83	335,482	83	237,389	75	82,248	75	34,079
Michigan	47	261,085	47	192,736	39	34,803	40	50,592
Minnesota	33	135,682	33	92,618	31	25,875	32	23,032
Mississippi	8	61,786	8	33,608	8	5,238	8	23,790
Missouri	33	115,716	33	91,254	26	17,673	32	13,429
Montana	7	23,966	7	16,515	6	4,420	6	3,490
Nebraska	13	83,265	13	68,620	11	6,396	13	11,969
Nevada	15	80,768	15	54,894	14	22,132	15	12,959
New Hampshire	7	27,342	7	18,563	6	7,245	5	2,677
New Jersey	79	324,712	79	219,677	72	79,200	67	40,264
New Mexico	9	28,107	9	18,230	8	4,957	9	6,422
New York	168	942,812	168	636,244	147	218,876	141	143,601
North Carolina	59	223,408	59	171,845	53	41,138	54	25,721
North Dakota	1	3,988	1	2,944	1	777	1	413
Ohio	61	228,532	61	182,596	50	30,049	55	23,694
Oklahoma	17	58,554	17	45,444	14	6,217	17	9,117
Oregon	15	61,328	15	42,631	14	13,685	14	8,515
Pennsylvania	86	399,312	85	293,609	73	70,258	74	47,388
Rhode Island	8	30,782	8	20,882	8	8,124	7	3,533
South Carolina	14	67,856	14	43,678	13	17,713	14	10,988
South Dakota	6	18,850	6	14,181	5	1,433	5	3,949
Tennessee	25	100,778	25	75,826	24	17,670	24	12,433
Texas	108	492,663	108	330,457	102	59,259	107	134,159
Utah	8	52,674	8	43,204	7	5,128	8	8,218
Vermont	4	20,584	4	12,864	4	3,944	4	4,173
Virginia	59	223,984	59	150,855	55	51,348	55	33,420
Washington	50	180,008	50	120,362	46	50,261	49	21,468
West Virginia	12	28,415	12	21,937	10	5,839	12	3,853
Wisconsin	26	127,515	26	103,720	23	22,016	24	10,230
Wyoming	5	106,698	5	97,214	4	3,109	5	9,987
Other areas [3]	5	28,042	5	20,270	5	8,227	5	1,294

[1] While the size of the underlying sample of estate tax returns makes estimates of wealth derived using the estate multiplier technique fairly robust, estimates of wealth by State can be subject to significant year-to-year fluctuations. This is especially true for individuals at the extreme tail of the net worth distribution and for States with relatively small decedent populations.

[2] Includes all stocks, bonds, mutual funds, cash, and cash management accounts.

[3] Includes U.S. territories and possessions.

NOTE: Detail may not add to total due to rounding.