Net Worth and the Assets of Households: 2002

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Introduction

Two of the most important defining factors of economic well-being in the United States are income and net worth. When considered alone, income—the resources a person or household receives from a job, transfer program, or other source—provides an incomplete picture of economic well-being. A person's or a household's wealth or net worth—the difference between assets and liabilities—considered in conjunction with income, provides a better understanding of economic health and well-being.[1] In times of economic hardship, such as unemployment, illness, or divorce, a person's or a household's financial assets are a source of liquidity to pay expenses and bills. For individuals and households with a householder 65 years and older, wealth is an important source of postretirement income and consumption; simply examining their income in isolation would give an incomplete picture of their economic well-being.

In addition, as home ownership rates climb, more and more households can claim their homes as a source of wealth and, in the majority of cases, as their predominant asset. Also, as stock ownership rates rise, as well as participation in private retirement accounts, such as 401Ks, a larger number of households are now subject to the "ups and downs" of the stock market, thereby affecting their net worth. Hence, also examining how the composition of a household's net worth changes is important in order to assess how a household's economic well-being changes over time.

This report compares the levels of wealth and asset ownership, such as home equity, savings accounts, certificates of deposit, stocks and mutual funds, and vehicle ownership, by various socioeconomic factors, including monthly household income, in late 1999/early 2000 and late 2002.[2] The data are from the 1996 and 2001 Panels of the Survey of Income and Program Participation (SIPP) and represent information collected from December 1999 through March 2000 (labeled as "2000" in this report) and from September 2002 through December 2002 (labeled as "2002").[3] The SIPP collects

[1] For a further discussion of the relationship between wealth and income, see Arthur B. Kennickell, *Using Income Data to Predict Wealth*, 1999, <www.federalreserve.gov/pubs/oss/oss2/method.html>, and Daniel B. Radner and D. R. Vaughan, "Wealth, Income, and the Economic Status of Aged Households," *International Comparisons of the Distribution of Household Wealth*, Edward Wolff, ed., Oxford, Claredon Press.

[2] See the text box "Key Definitions and Explanations" for definitions of the concepts (for example, net worth) used throughout this report.

[3] The population represented (the population universe) is the civilian noninstitutionalized population living in the United States. The sample of households in the SIPP is divided into four interview groups called "rotation groups." Each month, one of the four rotation groups is interviewed about the previous 4 months (the reference period); each cycle of interviews from all four groups is called a "wave." The asset and liability data in this report were collected in the twelfth wave of the 1996 SIPP panel and the sixth wave of the 2001 SIPP panel. For the 2002 figures in this report, data were collected from the first rotation group in October 2002 and refer to the last day of September 2002; the second rotation group was interviewed in November 2002, and their data refer to October 2002, and so on. As a result, the data represent a composite of the assets and liabilities of the civilian noninstitutionalized population of the United States in September, October, November, and December 2002. Similarly, the "2000" figures were collected from the first rotation group in December 1999 and refer to the last day of November 1999; and so on. Accordingly, the "2000" data represent a composite of the assets and liabilities of the civilian noninstitutionalized population in November and December 1999 and January and February 2000.

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Key Definitions and Explanations

Householder. Survey procedures call for listing first the person (or one of the people) in whose name the home is owned or rented as of the interview date. If the home is owned jointly by a married couple, either the husband or the wife may be listed first, thereby becoming the reference person, or householder, to whom the relationship of the other household members is recorded. One person in each household is designated as the "householder." The number of householders, therefore, is equal to the number of households.

Household. A household consists of all people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other people in the structure and there is either (1) direct access from the outside or through a common hall or (2) a kitchen or cooking equipment for the exclusive use of the occupants.

For this report, the household composition was determined as of the interview date. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit or a group of unrelated people sharing a housing unit as partners is also counted as a household. The count of households excludes group quarters. Examples of group quarters include rooming and boarding houses, college dormitories, and convents and monasteries.

Median income. The median household income is the amount that divides households into two equal groups, one having incomes above that amount and the other having incomes below that amount.

Net worth. The household net worth estimates shown in this report are based on the sum of the market value of assets owned by every member of the household minus liabilities (secured or unsecured) owed by household members. The estimates represent the net worth of households at the end of the appropriate reference period. The net worth concept is based on the value of all assets minus all liabilities listed on page 5 (see Text box "Assets and Liabilities Included in Net Worth"). The major assets not covered in this report are equities in pension plans, the cash value of life insurance policies, and the value of home furnishings and jewelry.

Median net worth. The median net worth is the amount that divides households into two equal groups, one having net worth less than that amount and the other having net worth above that amount.

Average net worth. The average net worth is the average obtained by dividing the total net worth of a group by the number of households in that group.

Quintile. The portion of a frequency distribution containing one-fifth of the total sample. Each quintile represents 20 percent, or one-fifth, of all households.

Comparison of average values and median values of net worth. Average values and median values are measures of central tendency of distributions. For symmetric distributions, the average and the median values are the same. For skewed distributions, however, the average value and the median value differ. The distribution of net worth is skewed with a concentration of households with low values and very few households with high values. In this case, the median is less than the average net worth; the large proportion of values at the low end brings the median down, while less frequent but large values increase the average. Since averages are more sensitive to extremely high values and the data are sparse at the upper end of the distribution, medians are used in the analysis in this report.

For a complete listing of definitions and explanations, see <www.sipp.census.gov/sipp/pubsmain.htm>.

asset and liability data as a supplement to its core questions about labor force participation, income, demographic characteristics, and program participation. The previous report in this series presented data for 1998 and 2000 collected in the December 1997–March 1998 and December 1999–March 2000 periods, respectively.[4]

Highlights

(All dollar values in this report are expressed in 2002 dollars, unless specified otherwise.)

- Median household net worth remained statistically unchanged from 2000 ($58,988 [±$845]) to 2002 ($58,905 [±$1,064]).[5]
- Median home equity for households was $73,697 (±$1,127) in 2002, higher than the 2000 median household home equity of $63,278 (±$864).
- Median household asset values of stocks and mutual funds, Individual Retirement Accounts (IRA and Keogh accounts), and 401K and Thrift Savings Plans decreased between 2000 and 2002.
- In 2002, median household net worth varied from $5,466 (±$385) for households in the lowest income quintile to $188,712 (±$6,116) for households in the highest income quintile.
- In 2002, median household net worth increased with the age of the householder, rising from $5,438 (±$467) for householders under the age of 35, to $137,346 (±$9,845) for householders 65 to 69 years old, then decreased with age to $128,800 (±$6,027) for householders 75 years and older.[6]
- Black, Asian or Pacific Islander, and Hispanic households had lower net worth than non-Hispanic White households. In 2002, the household median net worth was $87,056 (±$1,782) for households with a non-Hispanic White householder, $5,446 (±$544) for households with a Black householder, $59,292 (±$6,192) for households with an Asian or Pacific Islander householder, and $7,950 (±$669) for households with a Hispanic householder.[7]
- Married-couple households, the majority of households, had the highest median net worth in 2002 ($101,975 [±$2,402]). Lower net worth characterized male-householder households ($23,700 [±$1,171]) and female-householder households ($20,217 [±$846]).
- In 2002, households with householders having a job for the entire 4-month reference period had a median household net worth of $54,542 (±$1,306), compared with $29,200 (±$1,586) for those with householders having no labor force activity during this time.

Household Net Worth

The median household net worth remained statistically unchanged from 2000 ($58,988) to 2002 ($58,905). SIPP data show that net worth fell from 1984 until 1993, then began climbing but did not surpass the 1984 level until 2000 (Figure 1). Generally, as the annual U.S. real Gross Domestic Product (GDP) growth rate (one of the primary drivers of wealth generation) rises and falls, median net worth tends to move in tandem.[8]

Table 1 and Figures 2, 3, and 4 provide an overall view of the distribution of asset ownership, the median value of holdings for asset owners, and the percentage of total net worth held in each type of asset in 2002 and 2000.

[4] Data for 1998 and 2000 were published in the report P70-88, *Net Worth and Asset Ownership of Households: 1998 and 2000*. This series of reports from the SIPP began with the publication of P70-7, *Household Wealth and Asset Ownership: 1984*. Data for 1988, 1991, 1993, and 1995 were published in P70-22, *Household Wealth and Asset Ownership: 1988*; P70-34, *Household Wealth and Asset Ownership: 1991*; P70-47, *Asset Ownership of Households:1993*; and P70-71, *Household Net Worth and Asset Ownership: 1995*, respectively. All of these reports are available at <www.census.gov/hhes/www/wealth/publications.html>.

[5] See Appendix A for a technical description of the changes in median estimation from earlier reports in this series. The estimates in this report (which may be shown in text, figures, and tables) are based on responses from a sample of the population and may differ from the actual values because of sampling variability or other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are significant at the 90-percent confidence level unless otherwise noted.

[6] There was no statistical difference between the median net worth figures of householders 55 to 64 years old and 65 to 69 years old, householders 65 to 69 years old and 70 to 74 years old, householders 70 to 74 years old and 75 years and older, and householders 65 to 69 years old and 75 years and older.

[7] Because Hispanics may be any race, data in this report for Hispanics overlap slightly with data for the Black population. Based on data in the 2001 SIPP Panel and using the panel weight, 3.5 percent of the Black population was Hispanic. Data for American Indians and Alaska Natives are not shown in this report because of their small sample size. The race or Hispanic origin of the householder designates the race or Hispanic origin of the household.

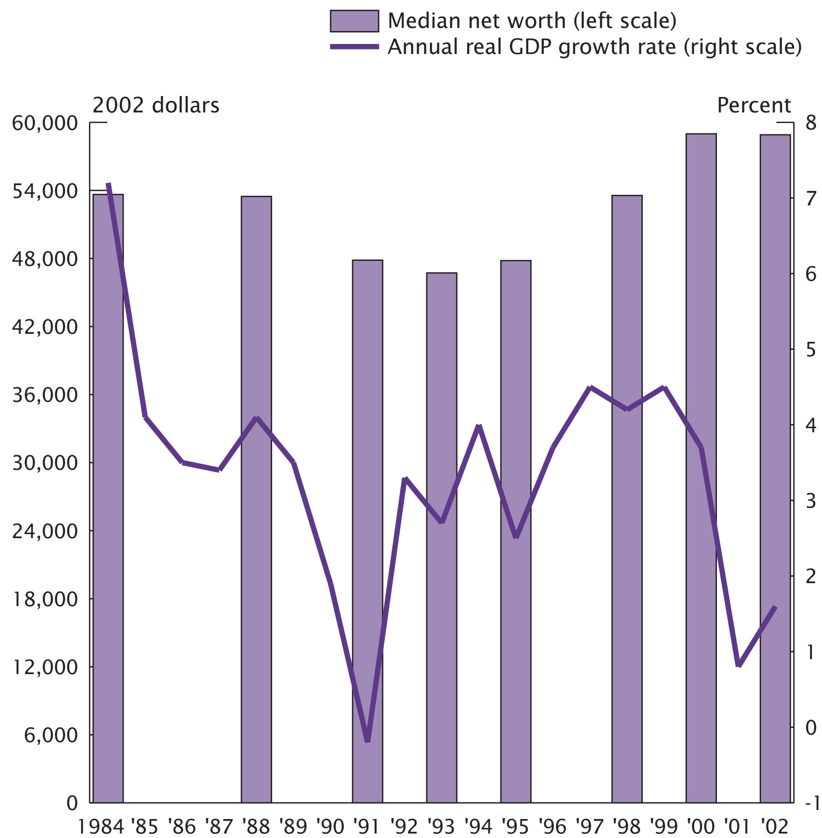
[8] Real Gross Domestic Product (GDP) growth rates and wealth levels are also linked by how changes in household wealth positions affect their consumption patterns. GDP is the sum of national spending on goods and services, with personal consumption expenditures constituting almost 70 percent of GDP (Economic Report of the President, 2007). As households' real wealth positions improve, they tend to feel "better off," resulting in larger consumer expenditures that translate into higher levels of GDP. Conversely, a decline in real wealth encourages households to save more (i.e., consume less) to restore their wealth positions (*Economics: Principles, Problems, and Policies*, 1999).

Home equity (the value of the home minus the mortgage principal amount) constituted the largest share of household net worth, accounting for 41.7 percent of total net worth in 2002. In 2002, 67.7 percent of households reported owning homes, with a median equity of $73,697 in their homes, up from $63,278 in 2000.[9] Partly reflecting the beginnings of the most recent upturn in national housing values (and the overall decline in the major U.S. stock markets that occurred from 2000 to 2002, as discussed below), the share of net worth represented by home equity increased by almost 10 percentage points from 2000 to 2002. From 2000 to 2005, real median home values as measured by the U.S. Census Bureau's 2005 American Community Survey increased 32.2 percent.[10]

Reflecting the continuing trends towards stock and mutual fund ownership, stocks and mutual funds held outside IRAs and 401K plans made up the next-largest share of net worth in 2002 (11.4 percent), and this share was higher than the proportions in 401K and Thrift Savings Plans and interest-earning assets at financial institutions (8.2 percent and 7.4 percent, respectively).[11] However, the percentage of households owning interest-earning assets was more than twice the percentage of those that owned stocks and mutual fund shares: in 2002, 62.8 percent of households had interest-earning assets at financial institutions, with a median value of $4,000; while 29.4 percent owned stocks or mutual fund shares, with a median value of $10,000.

Of special note in Table 1 is the decrease in the median value of stocks and mutual fund shares and in 401K and Thrift Savings Plans. From 2000 to 2002, the median value of stocks and mutual fund shares decreased 51.6 percent ($20,665 to $10,000) and the median value of 401K and Thrift Savings Plans decreased 16.6 percent ($21,450 to $17,894). These

Figure 1.
Median Net Worth and Annual Real Gross Domestic Product (GDP) Growth Rate: 1984–2002



Source: U.S. Census Bureau, Survey of Income and Program Participation; Bureau of Economic Analysis.

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9 The Housing Vacancy Survey (HVS) estimated the home ownership rates for the fourth quarter of 2002 and the first quarter of 2000 as 68.3 percent and 67.1 percent, respectively. The HVS provides current information on rental and homeowner vacancy rates and on characteristics of units available for occupancy. These data are used extensively by public and private sector organizations to evaluate the need for new housing programs and initiatives. In addition, the rental vacancy rate is a component of the index of leading economic indicators and is used by the federal government and economic forecasters to gauge the current economic climate. An overview of the survey is available at <www.census.gov/hhes/www/hvs.html>.

10 U.S. Census Bureau, 2006, <www.census.gov/Press-Release/www/2006/cb06cn07_acstable.xls>.

11 From 1995 to 2000, the percentage of households owning stocks and shares in mutual funds outside of IRAs and 401K plans increased from 20.8 percent to 27.1 percent (Source: P70-88, *Net Worth and Asset Ownership of Households: 1998 and 2000*, and P70-71, *Household Net Worth and Asset Ownership: 1995*).

Table 1.
Asset Ownership Rates for Households, Median Value of Holdings, and the Distribution of Net Worth by Asset Type: 2000 and 2002

(2002 dollars)

Asset type	2002			2000		
	Percent of households that own asset type	Median value of asset for asset owners (dollars)	Percent distribution of net worth[1]	Percent of households that own asset type	Median value of asset for asset owners (dollars)	Percent distribution of net worth[1]
All assets	**(X)**	**58,905**	**100.0**	**(X)**	**58,988**	**100.0**
Interest-earning assets at financial institutions	62.8	4,000	7.4	65.0	4,290	8.9
Other interest-earning assets	3.1	30,000	2.4	3.3	31,116	1.7
Regular checking accounts	34.4	620	0.3	37.5	644	0.3
Stocks and mutual fund shares	29.4	10,000	11.4	27.1	20,665	15.6
Equity in own home	67.7	73,697	41.7	67.2	63,278	32.3
Rental property	4.5	100,000	6.1	4.9	75,075	3.7
Other real estate	6.6	45,000	3.7	6.6	42,900	3.6
Vehicles	84.7	4,709	2.5	85.8	6,301	3.7
Business or profession	11.5	6,000	6.3	10.8	10,725	7.7
U.S. savings bonds	12.7	1,000	0.4	14.7	1,073	0.5
IRA or Keogh accounts	24.1	20,000	7.4	23.1	25,740	8.6
401K and Thrift Savings Plans	31.3	17,894	8.2	29.9	21,450	9.7
Other financial investments[2]	3.2	30,000	2.7	3.9	23,595	1.6
Unsecured liabilities[3]	51.4	4,500	–3.2	52.7	4,290	–3.1

(X) Not applicable.

[1] Individual outliers that highly influenced the mean value for asset categories were topcoded or excluded. The mean is used to calculate the percent distribution. Applying outlier adjustments to the individual assets but not to the totals caused this column not to sum to 100 percent.

[2] Includes mortgages held for sale of real estate, amount due from sale of business or property, and other financial assets.

[3] Because net worth is assets less liabilities, unsecured liabilities are subtracted from the distribution of net worth and are shown as negative.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Assets and Liabilities Included in Net Worth

I. Assets

- Interest-earning assets held at financial institutions
  - Passbook savings accounts
  - Money market deposit accounts
  - Certificates of deposit
  - Interest-earning checking accounts
- Other interest-earning assets
  - U.S. government securities
  - Municipal or corporate bonds
- Stocks and mutual fund shares
- Rental property
- Mortgages held for sale of real estate
- Amount due from sale of business or property
- Regular checking accounts
- U.S. savings bonds
- Home ownership
- Vacation homes and other real estate
- IRA and KEOGH accounts
- 401K and Thrift Savings Plans
- Vehicles
- Other financial assets

II. Liabilities

- Secured liabilities
  - Margin and broker accounts
  - Mortgages on own home
  - Mortgages on rental property
  - Mortgages on other homes or real estate
  - Debt on business or profession
  - Vehicle loans
- Unsecured liabilities
  - Credit card and store bills
  - Doctor, dentist, hospital, and nursing home bills
  - Loans from individuals
  - Loans from financial institutions
  - Educational loans
  - Other unsecured liabilities

declines reflect the overall decline in the major U.S. stock markets that occurred from 2000 to 2002.[12]

The percentage of households owning IRA or Keogh accounts remained constant between 2000 and 2002 (23.1 percent compared with 24.1 percent); however, the median value of these accounts decreased 22.3 percent ($25,740 to $20,000).

Net Worth by Monthly Income

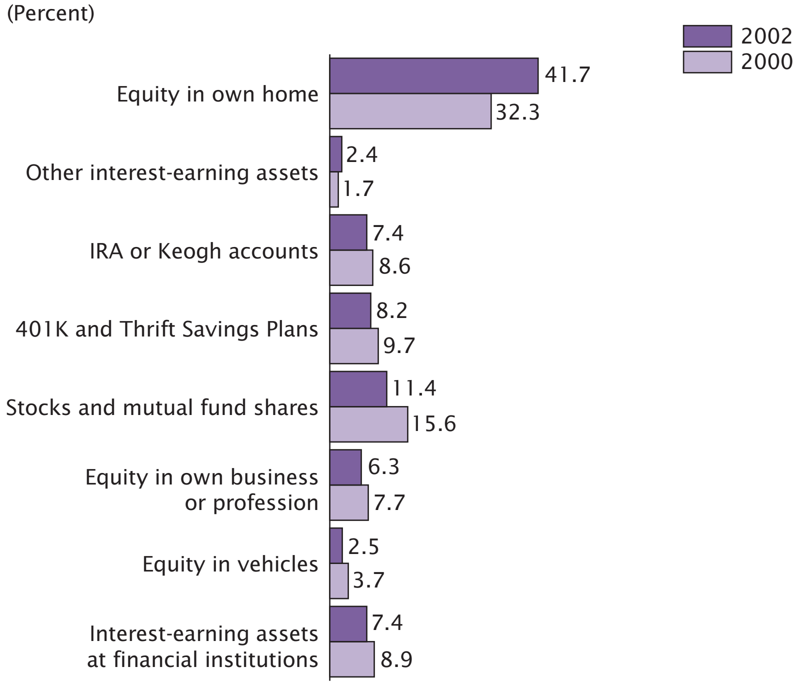
The relationship between monthly income and the net worth of households is illustrated in Figure 5. Household income is the average monthly income received from all sources by all members of a household during the last month prior to the survey interview. Figure 5 shows a strong positive relationship between the median net worth of households and monthly income for 2002 and 2000.

Median net worth in 2002 ranged from $5,466 for households in the lowest income quintile to $188,712 for households in the highest.[13] The lowest and highest quintiles saw decreases from 2000 in their median net worth ($2,466, a 31.1 percent decrease, and $10,237, a 5.1 percent decrease, respectively), while the survey measured no statistically significant change in the net worth of the middle three income quintiles.

[12] From November 30, 1999, to November 29, 2002, the Dow Jones Industrial Average declined 18 percent; the Nasdaq Composite Index declined 56 percent; and the Standard and Poor's 500 Index declined 33 percent (Source: <http://money.cnn.com>).

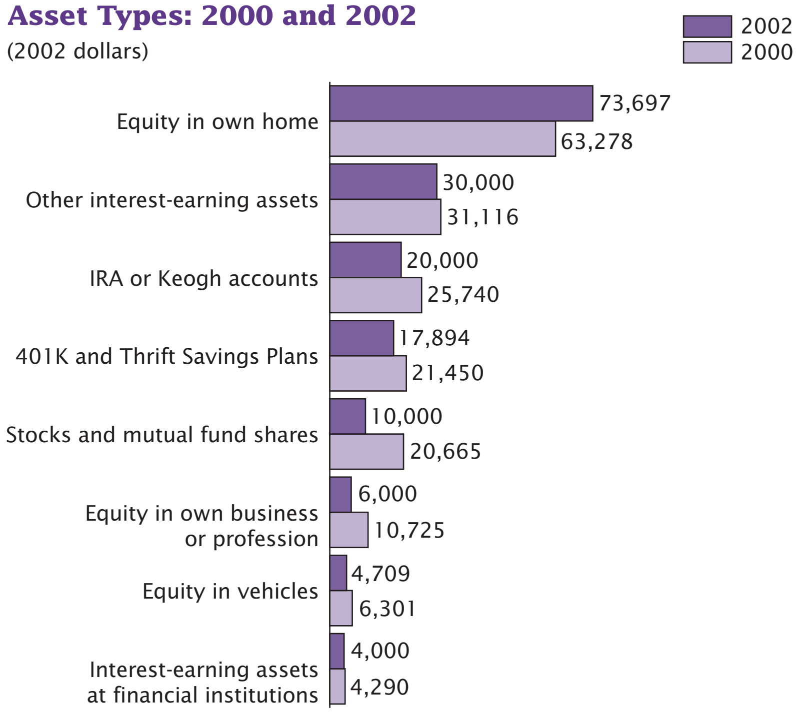
[13] Quintile upper limits for 2002 were lowest quintile—$1,380; second quintile—$2,555; third quintile—$4,040; fourth quintile—$6,501. Upper limits for 2000 were lowest quintile—$1,399; second quintile—$2,602; third quintile—$4,089; fourth quintile—$6,422.

Figure 2.
Distribution of Net Worth by Asset Type: 2000 and 2002
(Percent)



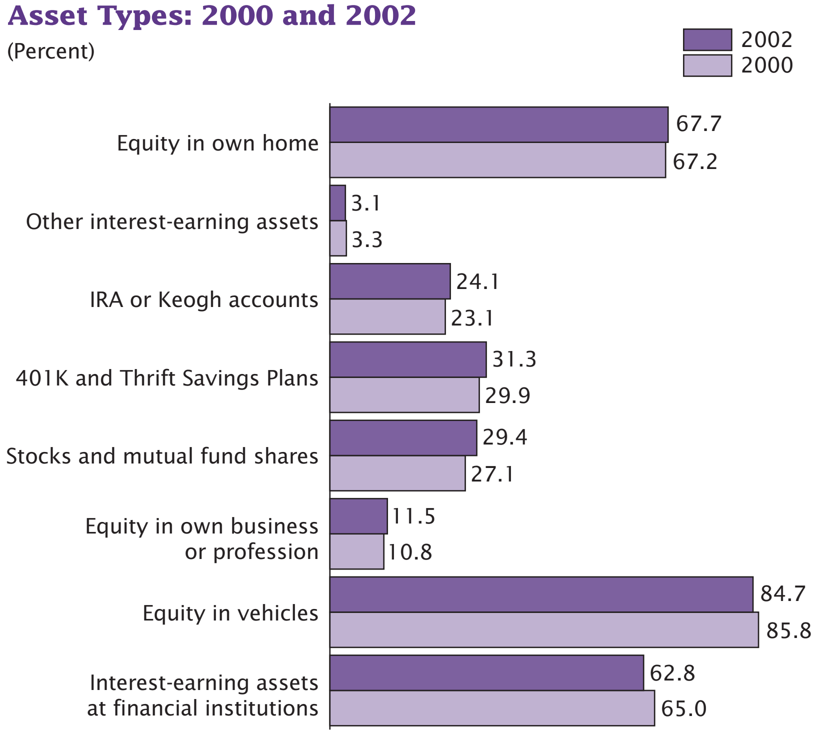
Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Figure 3.
Median Value of Asset Holdings for Selected Asset Types: 2000 and 2002
(2002 dollars)



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Figure 4.
Asset Ownership Rates of Households for Selected Asset Types: 2000 and 2002
(Percent)

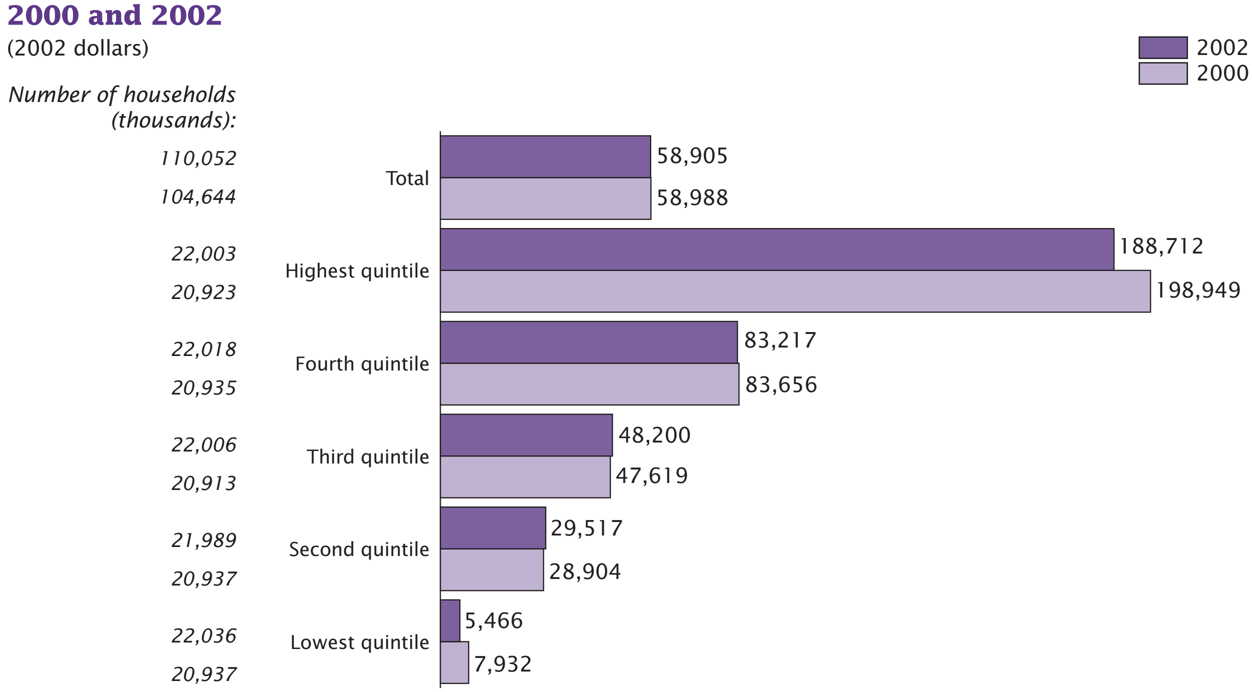


Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Asset ownership patterns and median household asset values also varied by household monthly income quintile (Table 2). For example, the home-ownership rate in 2002 ranged from 45.9 percent for households in the lowest income quintile to 86.4 percent for households in the highest income quintile. Furthermore, the highest quintile was about 5 times more likely to own stocks and mutual fund shares and IRA or Keough accounts than the lowest quintile, and 12 times more likely to own 401K and Thrift Savings Plans. Even in comparing the two highest quintiles, the highest quintile is approximately one and one-half times more likely to own stocks and mutual fund shares, IRA or Keough accounts, or 401K and Thrift Savings Plans.

The median values of these assets also showed clear differences by income quintile—in 2002, median home equity ranged from $63,000

Figure 5.
Median Net Worth of Households by Monthly Household Income Quintile Groups: 2000 and 2002
(2002 dollars)



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Table 2.
Asset Ownership Rates for Households and Median Value of the Holdings by Monthly Household Income Quintile for Selected Asset Types: 2000 and 2002

Monthly household income quintile[1]	Interest-earning assets at financial institutions	Other interest-earning assets	Stocks and mutual fund shares	Equity in own home	Equity in vehicles	Equity in own business or profession	IRA or Keogh accounts	401K and Thrift Savings Plans
Percent of Households Owning Asset								
2002								
Total	**62.8**	**3.1**	**29.4**	**67.7**	**84.7**	**11.5**	**24.1**	**31.3**
Lowest quintile	36.7	1.2	10.9	45.9	62.3	6.0	8.4	5.1
Second quintile	53.2	2.5	19.4	59.1	84.1	7.6	15.6	15.6
Third quintile	64.9	2.7	25.7	68.4	90.9	10.7	22.4	29.7
Fourth quintile	74.4	3.1	35.5	78.9	93.3	13.5	30.1	46.1
Highest quintile	84.8	6.2	55.3	86.4	93.1	19.8	44.2	60.2
2000								
Total	**65.0**	**3.3**	**27.1**	**67.2**	**85.8**	**10.8**	**21.3**	**29.9**
Lowest quintile	39.2	1.0	9.2	46.2	63.4	5.9	8.6	4.7
Second quintile	56.4	2.0	17.6	59.3	85.4	7.0	16.1	14.3
Third quintile	66.6	3.1	24.4	66.4	91.5	10.0	20.6	28.0
Fourth quintile	76.3	3.2	32.8	77.0	94.1	12.5	27.6	44.3
Highest quintile	86.3	7.0	51.6	87.1	94.8	18.5	42.6	58.2
Median Value of Holdings for Asset Owners (2002 dollars)								
2002								
Total	**4,000**	**30,000**	**10,000**	**73,697**	**4,709**	**6,000**	**20,000**	**17,894**
Lowest quintile	1,500	30,000	8,600	63,000	3,700	1,500	20,000	10,000
Second quintile	2,662	30,000	9,504	65,000	4,200	5,000	18,000	6,800
Third quintile	2,500	30,000	10,000	65,000	4,450	5,000	18,000	10,000
Fourth quintile	4,000	30,000	7,200	66,000	5,200	6,000	19,000	17,000
Highest quintile	8,834	33,862	14,000	100,000	7,090	15,000	22,000	32,600
2000								
Total	**4,290**	**31,116**	**20,665**	**63,278**	**6,301**	**10,725**	**25,740**	**21,450**
Lowest quintile	2,145	12,446	12,334	53,625	3,037	4,290	21,450	10,725
Second quintile	3,164	25,640	13,943	53,625	4,236	5,363	24,175	7,990
Third quintile	3,164	26,813	12,870	53,625	5,657	8,580	21,450	12,334
Fourth quintile	3,915	32,175	18,233	58,988	6,998	10,725	19,305	19,305
Highest quintile	8,580	32,175	32,175	91,163	10,602	16,088	33,248	42,900

[1] Quintile upper limits for 2002 were: lowest quintile—$1,380; second quintile—$2,555; third quintile—$4,040; fourth quintile—$6,501. Upper limits for 2000 were: lowest quintile—$1,399; second quintile—$2,602; third quintile—$4,089; fourth quintile—$6,422.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

for the lowest income quintile to $100,000 for the highest; the value of stocks and mutual fund shares varied from $8,600 for the lowest income group to $14,000 for the highest; and the value of 401K and Thrift Savings Plans ranged from $10,000 for the lowest income group to $32,600 for the highest.[14] Within income quintiles, the median value of stocks and mutual funds decreased from 2000 to 2002 (the top two income quintiles experienced the sharpest declines, 60.5 percent for the fourth quintile and 56.5 percent for the top quintile), while the median value of home equity increased for each quintile, increasing from 9.7 percent for the top quintile to 21.2 percent for the second and third quintiles.

Table 3 shows that the highest income quintile held the largest share of asset value regardless of asset type in 2000 and 2002. In 2002, its share ranged from 32.2 percent for equity in vehicles and 36.5 percent for home equity to 62.4 percent for other interest-earning assets. Table 3 also shows that the composition of net worth by asset type differed by income quintiles in 2002. The share of net worth in home equity was highest for the lowest and second quintiles (53.8 percent and 54.2 percent,

[14] The value of stocks and mutual fund shares for the first and second quintiles, and the second and third quintiles, were not statistically different from each other.

Table 3.
Distribution of Asset Values for Households and the Distribution of Net Worth by Monthly Household Income Quintile for Selected Asset Types: 2000 and 2002

(Percent)

Monthly household income quintile[1]	Interest-earning assets at financial institutions	Other interest-earning assets	Stocks and mutual fund shares	Equity in own home	Equity in vehicles	Equity in own business or profession	IRA or Keogh accounts	401K and Thrift Savings Plans
Percent Distribution of Asset Value								
2002								
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Lowest quintile	7.4	2.7	6.0	11.3	12.0	4.3	6.6	2.8
Second quintile	14.4	8.0	9.2	14.8	17.1	6.3	11.7	4.7
Third quintile	16.5	10.9	17.2	17.2	17.7	11.1	18.6	11.0
Fourth quintile	21.3	16.9	17.5	20.2	21.1	21.9	21.0	23.7
Highest quintile	40.4	62.4	50.0	36.5	32.2	56.5	42.3	58.0
2000								
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Lowest quintile	7.1	1.6	3.2	11.5	9.4	3.9	5.9	2.2
Second quintile	14.7	5.0	9.6	14.9	14.7	7.2	13.9	4.2
Third quintile	16.4	10.9	12.1	17.0	18.7	12.3	14.9	10.3
Fourth quintile	19.9	16.2	20.3	21.3	23.9	17.4	21.1	22.5
Highest quintile	41.9	65.6	54.8	35.4	33.3	59.0	44.2	60.8
Percent Distribution of Net Worth								
2002								
Total	**7.4**	**2.4**	**11.4**	**41.7**	**2.5**	**6.3**	**7.4**	**8.2**
Lowest quintile	6.3	0.7	7.9	53.8	3.4	3.1	5.6	2.6
Second quintile	9.4	1.7	9.2	54.2	3.7	3.5	7.8	3.4
Third quintile	8.0	1.7	12.9	47.0	2.9	4.6	9.0	5.9
Fourth quintile	7.6	1.9	9.6	40.8	2.5	6.7	7.5	9.4
Highest quintile	6.8	3.3	13.0	34.6	1.8	8.1	7.1	10.8
2000								
Total	**8.9**	**1.7**	**15.6**	**32.3**	**3.7**	**7.7**	**8.6**	**9.7**
Lowest quintile	9.6	0.4	7.7	56.2	5.2	4.6	7.7	3.3
Second quintile	11.8	0.8	13.5	43.4	4.9	5.0	10.8	3.7
Third quintile	10.4	1.3	13.5	39.0	4.9	6.8	9.2	7.1
Fourth quintile	8.4	1.3	15.1	32.6	4.2	6.4	8.6	10.4
Highest quintile	7.9	2.4	18.1	24.2	2.6	9.6	8.1	12.5

[1] Quintile upper limits for 2002 were: lowest quintile—$1,380; second quintile—$2,555; third quintile—$4,040; fourth quintile—$6,501. Upper limits for 2000 were: lowest quintile—$1,399; second quintile—$2,602; third quintile—$4,089; fourth quintile—$6,422.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

respectively), decreasing to 34.6 percent for the highest quintile. In contrast, the highest quintile had a larger proportion of net worth in stocks and mutual funds (13.0 percent) than did the lowest quintile (7.9 percent).[15] The same was true for other interest-earning assets (3.3 percent for the highest quintile and 0.7 percent for the lowest quintile) and 401K and Thrift Savings Plans (10.8 percent for the highest and 2.6 percent for the lowest).[16]

Net Worth by Age

The age of the householder is positively related to household net worth up to age 70 (Table 4 and Figure 6). In 2002, median household net worth for all households with householders under the age of 35 was $5,438, far lower than the median of $137,346 for householders aged 65 to 69.[17] From 2000 to 2002, median household

[15] The shares of net worth in stocks and mutual funds for the second and fourth quintiles, and the third and highest quintiles, were not statistically different.

[16] The shares of net worth in other interest-earning assets for the second and third quintiles, the second and fourth quintiles, and the third and fourth quintiles were not statistically different.

[17] There was no statistical difference between the median net worth of householders 55 to 64 years old and 65 to 69 years old; householders 65 to 69 years old and 70 to 74 years old; householders 70 to 74 years old and 75 years and older; and householders 65 to 69 years old and 75 years and older.

Table 4.
Median Net Worth and Median Net Worth Excluding Home Equity of Households by Age of Householder and Monthly Household Income Quintile: 2000 and 2002

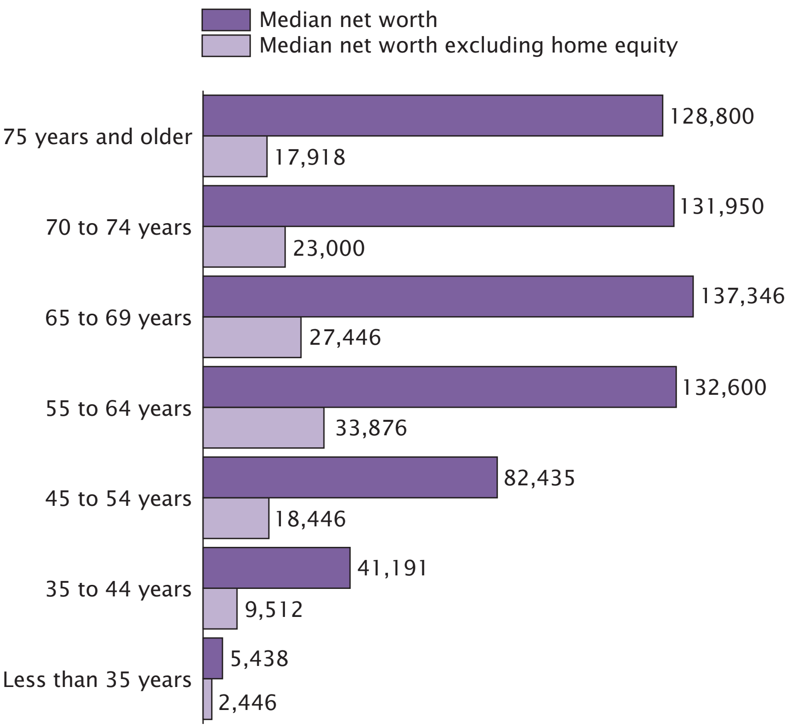
(2002 dollars)

Monthly household income quintile[1]	Total	Less than 35 years	35 to 44 years	45 to 54 years	55 to 64 years	65 years of age and older: Total	65 to 69 years	70 to 74 years	75 years of age and older
2002 Monthly Household Income Quintile									
All households (thousands)	**110,052**	**24,424**	**24,290**	**22,809**	**16,011**	**22,518**	**5,758**	**5,459**	**11,300**
Median net worth	58,905	5,438	41,191	82,435	132,600	130,500	137,346	131,950	128,800
Excluding home equity	10,500	2,446	9,512	18,446	33,876	20,950	27,446	23,000	17,918
Lowest Quintile:									
Households (thousands)	22,036	4,882	3,313	3,284	2,806	7,751	1,381	1,692	4,678
Median net worth	5,466	10	1,500	4,846	15,871	56,525	38,525	60,700	63,100
Excluding home equity	1,500	(NA)	200	750	2,550	3,780	3,112	4,450	3,780
Second Quintile:									
Households (thousands)	21,989	5,353	4,163	3,194	2,790	6,488	1,395	1,595	3,498
Median net worth	29,517	2,400	8,339	27,803	74,252	136,500	120,300	130,646	149,732
Excluding home equity	5,446	1,270	3,355	4,400	8,576	25,961	19,282	27,282	30,400
Third Quintile:									
Households (thousands)	22,006	5,568	4,933	4,236	3,166	4,102	1,260	1,097	1,745
Median net worth	48,200	5,449	28,450	58,905	114,732	210,000	177,433	190,250	234,400
Excluding home equity	9,506	2,383	6,092	10,892	24,217	65,394	64,840	57,400	72,000
Fourth Quintile:									
Households (thousands)	22,018	4,959	5,767	5,336	3,424	2,532	1,028	646	858
Median net worth	83,217	19,559	65,000	105,800	174,804	258,000	245,655	248,360	279,314
Excluding home equity	22,196	6,650	17,824	28,215	61,656	94,129	88,669	94,800	104,526
Highest Quintile:									
Households (thousands)	22,003	3,661	6,115	6,759	3,823	1,645	694	429	522
Median net worth	188,712	57,548	157,934	218,792	312,750	423,744	362,755	423,744	481,800
Excluding home equity	76,753	19,892	63,042	93,205	166,624	213,284	195,382	224,509	241,594
2000 Monthly Household Income Quintile									
All households (thousands)	**104,644**	**22,362**	**24,717**	**21,347**	**14,139**	**22,079**	**5,634**	**5,710**	**10,735**
Median net worth	58,988	7,765	47,485	89,178	120,171	116,779	122,319	128,700	107,357
Excluding home equity	14,450	3,539	14,050	25,231	34,646	25,063	29,588	33,677	20,404
Lowest Quintile:									
Households (thousands)	20,937	4,322	3,333	2,827	2,574	7,882	1,497	1,758	4,626
Median net worth	7,932	536	1,619	6,323	22,523	47,561	34,320	46,364	49,620
Excluding home equity	1,099	(NA)	536	644	1,609	3,754	3,110	3,094	4,290
Second Quintile:									
Households (thousands)	20,937	4,944	3,888	2,958	2,648	6,498	1,498	1,721	3,280
Median net worth	28,904	3,164	8,104	26,544	55,636	122,721	112,398	122,150	124,588
Excluding home equity	6,809	1,609	2,681	5,094	10,886	31,673	23,951	33,798	33,536
Third Quintile:									
Households (thousands)	20,913	5,269	5,090	4,030	2,721	3,803	1,174	1,161	1,467
Median net worth	47,619	8,835	32,929	60,749	108,001	206,456	166,580	216,176	242,667
Excluding home equity	13,227	3,807	9,116	13,648	31,328	83,883	56,360	91,055	108,215
Fourth Quintile:									
Households (thousands)	20,935	4,609	6,010	5,096	2,886	2,334	855	640	839
Median net worth	83,656	21,090	69,123	108,645	169,214	305,196	239,080	335,561	346,187
Excluding home equity	28,955	9,411	26,434	37,643	69,444	133,776	100,761	159,579	143,847
Highest Quintile:									
Households (thousands)	20,923	3,219	6,395	6,435	3,311	1,563	610	430	522
Median net worth	198,949	61,405	160,754	241,740	339,491	535,194	482,411	485,834	610,253
Excluding home equity	105,652	32,014	88,197	132,584	195,656	352,243	255,175	292,450	444,411

(NA) Not available.
[1] Quintile upper limits for 2002 were: lowest quintile—$1,380; second quintile—$2,555; third quintile—$4,040; fourth quintile—$6,501. Upper limits for 2000 were: lowest quintile—$1,399; second quintile—$2,602; third quintile—$4,089; fourth quintile—$6,422.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Figure 6.
Median Net Worth and Median Net Worth Excluding Home Equity of Households by Age of Householder: 2002
(2002 dollars)



Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 Panel.

net worth decreased 13.3 percent ($47,485 to $41,191) for households with householders aged 35 to 44 and increased 7.6 percent ($89,178 to $82,435) for those with householders aged 45 to 54; however, it increased 10.3 percent ($120,171 to $132,600) for households with householders aged 55 to 64 and 11.7 percent ($116,779 to $130,500) for those with householders aged 65 and older.

Householders under 35 years old tend to have higher income, but lower net worth, than householders 65 and older—58.1 percent of the youngest households had average monthly income in the top three income quintiles (above $2,555) in 2002, while 36.8 percent of the oldest households were in these quintiles. At the same time, the youngest households had a median net worth of $5,438 in 2002, compared with $130,500 for those with a householder 65 and older.[18]

Median net worth excluding home equity is another important indicator of well-being for households, especially for households with retired householders. In 2002, this measure increased with the age of the householder for all age groups under 65. The 55-to-64 age group's median, $33,876, was more than 13 times that of the under-35 group's median of $2,446, and higher than the 75-and-older group's median of $17,918.

The major asset for all age groups was home equity, accounting for about one-third or more of total net worth in 2002 (Table 5). This was followed by either stocks and mutual funds or 401K and Thrift Savings Plans.[19] The proportion of net worth held as equity in vehicles declined steadily as householders aged—in 2002, it fell from 6.0 percent for the youngest group to 1.9 percent for the oldest.[20]

Householders 55 to 64 years old had the highest proportion of their net worth in IRA and Keogh accounts (9.6 percent), while other age groups had proportions that ranged from 4.7 percent (under 35

[18] The life-cycle framework of consumption and saving predicts that individuals will accumulate wealth in early and middle adulthood and draw down their stock of wealth in old age. The seminal works of Franco Modigliani and Richard Brumberg, "Utility Analysis and the Consumption Function: An Interpretation of Cross-Section Data," K. Kurihara, ed., *Post-Keynesian Economics*, New Brunswick, New Jersey, Rutgers University Press, 1954 and Milton Friedman, *A Theory of the Consumption Function*, Princeton University Press, Princeton, New Jersey, 1957 laid the initial groundwork for the life-cycle framework. See Martin Browning and Thomas F. Crossley, "The Life-Cycle Model of Consumption and Saving," *Journal of Economic Perspectives*, vol. 15, no. 3, 2001, for a recent review of life-cycle framework literature.

[19] For householders under 35 years old, the share of total net worth held in stocks and mutual fund shares and the share in interest-earning assets at financial institutions were not statistically different. For householders aged 35 to 44 and 45 to 54, the share of total net worth held in stocks and mutual fund shares and the share in a business or profession were not statistically different. For householders aged 55 to 64, the share of total net worth held in 401K and Thrift Savings Plans and the share in IRA or Keogh accounts were not statistically different. For householders 65 and older, the share of total net worth held in 401K and Thrift Savings Plans was not statistically different from the share held in vehicles, a business or profession, or other financial investments.

[20] The proportion of net worth held as equity in vehicles for householders 35 to 44 years old and those 45 to 54 years old were not statistically different. The same was true for householders 45 to 54 years old and those 55 to 64 years old, and also 55 to 64 years old and those 65 and older comparisons.

Table 5.
Percent Distribution of Net Worth of Households by Age of Householder and Asset Type: 2000 and 2002

(Percent)

Asset type	2002						2000					
	Total	Less than 35 years	35 to 44 years	45 to 54 years	55 to 64 years	65 years and older	Total	Less than 35 years	35 to 44 years	45 to 54 years	55 to 64 years	65 years and older
Total net worth	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Interest-earning assets at financial institutions	7.4	10.3	6.2	6.4	6.8	8.8	8.9	10.8	6.8	6.4	7.0	10.9
Other interest-earning assets	2.4	0.7	1.4	2.4	2.3	3.1	1.7	0.3	0.9	1.4	1.7	4.2
Regular checking accounts	0.3	1.1	0.5	0.3	0.2	0.2	0.3	0.9	0.4	0.4	0.3	0.4
Stocks and mutual fund shares	11.4	10.4	9.3	9.9	13.0	12.6	15.6	13.7	19.1	16.9	17.2	22.1
Equity in own home	41.7	57.1	41.0	45.0	37.1	40.8	32.3	35.6	39.8	37.7	35.1	49.8
Rental property	6.1	5.4	6.0	5.1	6.4	7.0	3.7	2.6	3.2	4.0	5.2	5.1
Other real estate	3.7	4.7	2.9	4.2	4.8	3.0	3.6	3.2	4.1	4.6	6.1	2.9
Vehicles	2.5	6.0	2.8	2.6	2.1	1.9	3.7	9.5	5.8	4.3	3.5	3.0
Business or profession	6.3	3.9	9.2	10.4	5.7	2.6	7.7	14.0	9.8	8.7	6.3	2.4
U.S. savings bonds	0.4	0.5	0.3	0.3	0.3	0.4	0.5	0.6	0.5	0.4	0.7	0.7
IRA or Keogh accounts	7.4	4.7	5.1	6.5	9.6	8.0	8.6	4.1	8.2	7.6	12.5	11.5
401K and Thrift Savings Plans	8.2	13.4	12.5	11.8	9.0	2.1	9.7	12.6	18.2	16.4	12.4	2.7
Other financial investments[1]	2.7	1.0	5.5	1.1	3.7	1.9	1.6	1.7	1.4	1.6	1.5	2.7
Unsecured liabilities[2]	–3.2	–19.9	–5.2	–3.6	–1.9	–0.6	–3.1	–15.1	–6.0	–3.6	–1.9	–1.0

[1] Includes mortgages held for sale of real estate, amount due from sale of business or property, and other financial assets.
[2] Because net worth is assets less liabilities, unsecured liabilities are subtracted from the distribution of net worth and are shown as negative.

Note: Individual outliers that highly influenced the mean value for asset categories were topcoded or excluded. The mean is used to calculate the percent distribution. Applying outlier adjustments to the individual assets but not to the totals caused these columns not to sum to 100 percent.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

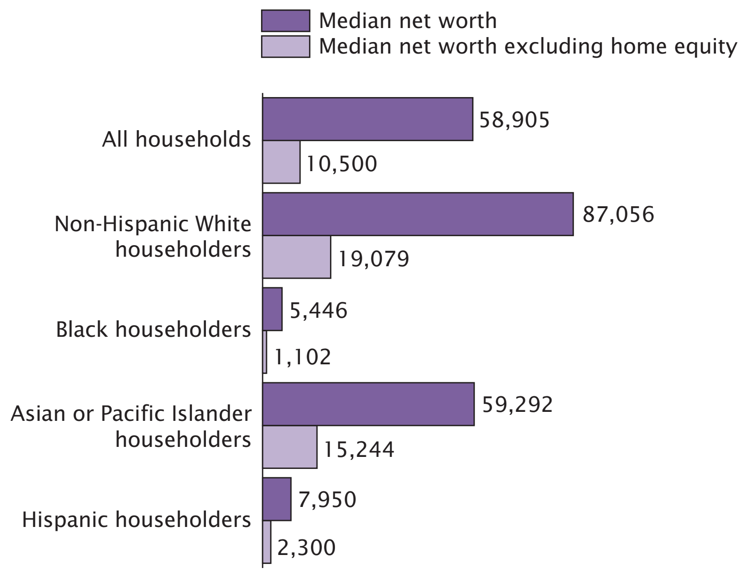
years old) to 8.0 percent (65 and older).[21] For all ages, 8.2 percent of net worth was in 401K and Thrift Savings Plans, but this proportion ranged from 13.4 percent for householders less than 35 years old and 12.5 percent for householders 35 to 44 years old, who are generally employed, to 2.1 percent for those 65 and older, who were most likely retired and making withdrawals from their pension savings.[22]

Table 5 also highlights how unsecured liabilities affect net worth and differ across age groups. Unsecured liabilities, such as credit card bills, educational loans, and medical bills not covered by insurance, are subtracted from a household's total assets to calculate overall household net worth and, as such, necessarily lower a household's net worth. Younger households tend to be composed of individuals just entering the workforce, establishing themselves in the workplace, or creating a family and as a result, have accumulated (e.g., student loans) or are accumulating (e.g., credit card bills) debt in the process. In 2002, householders under 35 years old had the highest level of unsecured

[21] The proportions for householders under 35 years old and those 35 to 44 years old were not statistically different.

[22] For a further discussion of the relationship between employment and retirement income, see Patrick Purcell, *Retirement Savings and Household Wealth: Trends From 2001 to 2004*, Washington, DC: Congressional Research Service, 2006, and Patrick Purcell, *Retirement Savings and Household Wealth in 2000: Analysis of Census Bureau Data*, Washington, DC: Congressional Research Service, 2002.

Figure 7.
Median Net Worth and Median Net Worth Excluding Home Equity of Households by Race and Hispanic Origin of Householder: 2002
(2002 dollars)



Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 Panel.

liabilities (19.9 percent) as a percentage of net worth, with this percentage declining as the age of the householder increases—reaching a low of 0.6 percent for householders over 65 years old. The same pattern can be seen in the 2000 data.

Net Worth by Race and Hispanic Origin

Like income and age, the race and Hispanic origin of the householder are correlated with household net worth. In 2002, households with non-Hispanic White householders had a median net worth of $87,056; those with Black householders, $5,446; those with Asian or Pacific Islander householders, $59,292; and those with Hispanic householders, $7,950 (Figure 7). Non-Hispanic White households in every income quintile had higher levels of median net worth than their Black, Asian or Pacific Islander, and Hispanic counterparts (Table 6).[23] In the lowest quintile in 2002, the median net worth for non-Hispanic White households was $21,558; for Asian or Pacific Islander households, $1,600; and for Hispanic households, $1,229; the corresponding figures for the highest quintile were $210,298 for non-Hispanic White households, $61,000 for Black households, $195,461 for Asian or Pacific Islander households, and $80,600 for Hispanic households. Between 2000 and 2002, the median net worth of non-Hispanic White householders increased by almost $1,900, while the median net worth of Black householders and Hispanic householders decreased approximately $2,500.

As Table 7 illustrates, Black households and Hispanic households held a higher proportion of their net worth in durable goods, such as housing and vehicles, than did their non-Hispanic White and Asian or Pacific Islander counterparts. Black and Hispanic households had a lower proportion in financial assets such as stocks and mutual fund shares than did non-Hispanic White households and Asian or Pacific Islander households. The percentage of net worth in IRA and Keogh accounts was higher for non-Hispanic White households compared with Black, Asian or Pacific Islander, and Hispanic households.

[23] For the highest quintile, the median net worth figures for non-Hispanic White householders and Asian or Pacific Islander householders were not statistically different.

Table 6.
Median Net Worth and Median Net Worth Excluding Home Equity of Households by Monthly Household Income Quintile and Race and Hispanic Origin of Householder: 2000 and 2002

(2002 dollars)

Monthly household income quintile[1]	Total		Non-Hispanic White		Black		Asian or Pacific Islander		Hispanic[2]	
	2002	2000	2002	2000	2002	2000	2002	2000	2002	2000
All households (thousands)	**110,052**	**104,644**	**81,777**	**79,562**	**13,466**	**12,808**	**3,639**	**(NA)**	**11,078**	**9,264**
Median net worth	58,905	58,988	87,056	85,157	5,446	8,044	59,292	(NA)	7,950	10,457
Excluding home equity	10,500	14,450	19,079	24,202	1,102	1,251	15,244	(NA)	2,300	1,984
Net Worth by Income										
Lowest Quintile:										
Households (thousands)	22,036	20,937	14,280	13,992	4,538	4,007	552	(NA)	2,634	2,314
Median net worth	5,466	7,932	21,558	25,740	(NA)	61	1,600	(NA)	1,229	536
Excluding home equity	1,500	1,099	3,250	3,717	(NA)	(NA)	750	(NA)	200	54
Second Quintile:										
Households (thousands)	21,989	20,937	15,623	15,274	2,946	2,943	590	(NA)	2,849	2,296
Median net worth	29,517	28,904	55,892	52,016	4,348	5,657	9,600	(NA)	4,400	6,081
Excluding home equity	5,446	6,809	9,250	11,610	850	1,207	4,699	(NA)	2,100	1,609
Third Quintile:										
Households (thousands)	22,006	20,913	16,382	16,054	2,541	2,436	741	(NA)	2,382	1,905
Median net worth	48,200	47,619	67,392	63,814	13,026	12,334	34,386	(NA)	9,826	12,012
Excluding home equity	9,506	13,227	14,250	18,662	3,292	3,593	12,700	(NA)	2,450	2,842
Fourth Quintile:										
Households (thousands)	22,018	20,935	17,173	16,724	2,100	1,917	705	(NA)	1,958	1,669
Median net worth	83,127	83,656	102,351	99,573	26,953	34,964	69,924	(NA)	37,838	38,851
Excluding home equity	22,196	28,955	29,747	36,932	6,000	9,250	29,508	(NA)	5,925	11,307
Highest Quintile:										
Households (thousands)	22,003	20,923	18,319	17,518	1,341	1,505	1,051	(NA)	1,255	1,080
Median net worth	188,712	198,949	210,298	223,105	61,000	69,864	195,461	(NA)	80,600	78,327
Excluding home equity	76,753	105,652	91,600	124,043	17,836	22,496	55,450	(NA)	19,015	27,498

(NA) Not available.

[1] Quintile upper limits for 2002 were: lowest quintile—$1,380; second quintile—$2,555; third quintile—$4,040; fourth quintile—$6,501. Upper limits for 2000 were: lowest quintile—$1,399; second quintile—$2,602; third quintile—$4,089; fourth quintile—$6,422.

[2] Hispanics may be any race.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Net Worth by Household Type

Married-couple households had the largest median net worth in 2002, $101,975, among householders by type (Figure 8). Households with a male householder had a median net worth of $23,700, or 23.2 percent of the married-couple figure, while households with a female householder had a median net worth of $20,217, or 19.8 percent of the married-couple median.

A possible explanation for the differing net worth figures is that married-couple households are approximately 50 percent more likely to be homeowners than male householders (80.9 percent compared with 51.7 percent) or female householders (80.9 percent compared with 53.1 percent) and therefore have an additional source of wealth (2002 Detailed Tables, Table 2).[24] However, even when excluding home equity from net worth, median net worth of single householders as a percentage of married-couple householders' net worth remains lower—22.8 percent for male householders and 15.2 percent for female householders.

Another possible reason for the divergent net worth figures of married-couple households and male or female householders is that married-couple households are typically composed of two workers and, as such, are more likely to possess assets such as IRAs or Keogh accounts, 401K and Thrift Savings Plans, and stocks and mutual funds (2002 Detailed Tables, Table 2).[25] For householders under 65 years of age with a job during the entire reference period, 26.4 percent owned an IRA or Keogh account; 43.8 percent owned a 401K or Thrift Savings Plan; and 32.1 percent owned stocks and mutual funds (2002 Detailed Tables, Table 2). The

[24] Home ownership rates of male and female householders were not statistically different.

[25] In 2002, 51.3 percent of married-couple families had both spouses working (*Employment Characteristics of Families in 2002*, Bureau of Labor Statistics, 2003).

Table 7.
Percentage Distribution of Net Worth of Households by Asset Type and Race and Hispanic Origin of Householder: 2000 and 2002

(Percent)

Asset type	Total		Non-Hispanic White		Black		Asian or Pacific Islander		Hispanic[1]	
	2002	2000	2002	2000	2002	2000	2002	2000	2002	2000
Total net worth	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**(NA)**
Interest-earning assets at financial institutions	7.4	8.9	7.6	9.2	4.4	6.6	6.6	(NA)	6.4	6.7
Other interest-earning assets	2.4	1.7	2.5	1.8	1.3	0.8	1.2	(NA)	0.5	0.5
Regular checking accounts	0.3	0.3	0.3	0.3	0.5	0.5	0.5	(NA)	0.6	0.9
Stocks and mututal fund shares	11.4	15.6	11.7	16.2	5.4	4.0	12.6	(NA)	7.0	8.3
Equity in own home	41.7	32.3	40.3	31.0	61.1	61.8	42.7	(NA)	58.5	50.8
Rental property	6.1	3.7	5.9	3.6	6.4	5.6	11.2	(NA)	7.1	4.7
Other real estate	3.7	3.6	3.9	3.7	2.7	2.9	1.8	(NA)	1.8	4.3
Vehicles	2.5	3.7	2.4	3.5	4.1	9.7	1.9	(NA)	3.2	5.9
Business or profession	6.3	7.7	6.2	7.6	8.4	5.2	5.8	(NA)	8.8	10.5
U.S. savings bonds	0.4	0.5	0.4	0.5	0.3	0.3	0.2	(NA)	0.4	0.3
IRA or Keogh accounts	7.4	8.6	7.8	9.0	3.7	2.3	4.0	(NA)	3.0	5.3
401K and Thrift Savings Plans	8.2	9.7	8.1	9.6	11.7	6.7	7.1	(NA)	7.3	9.9
Other financial investments[2]	2.7	1.6	2.8	1.6	0.4	0.9	1.3	(NA)	1.7	2.7
Unsecured liabilities[3]	–3.2	–3.0	–2.9	–2.6	–10.5	–11.0	–3.2	(NA)	–6.3	–8.7

(NA) Not available.

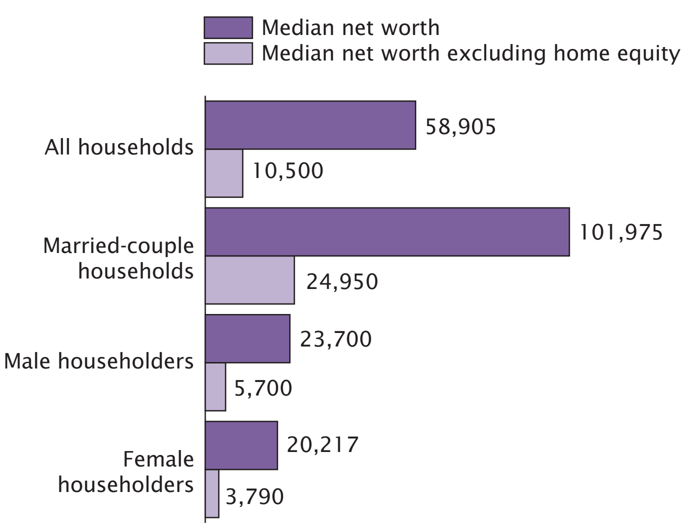
[1] Hispanics may be any race.
[2] Includes mortgages held for sale of real estate, amount due from sale of business or property, and other financial assets.
[3] Because net worth is assets less liabilities, unsecured liabilities are subtracted from the distribution of net worth and are shown as negative.

Note: Individual outliers that highly influenced the mean value for asset categories were topcoded or excluded. The mean is used to calculate the percent distribution. Applying outlier adjustments to the individual assets but not to the totals caused these columns not to sum to 100 percent.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Figure 8.
Median Net Worth and Median Net Worth Excluding Home Equity of Households by Type of Household: 2002

(2002 dollars)



Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 Panel.

corresponding figures for those with no job during the entire reference period (including those who spent time looking for work or were on layoff) are 14.0 percent owned an IRA or Keogh account, 17.4 percent had a 401K or Thrift Savings Plan, and 15.8 percent owned stocks and mutual funds. For those with no labor force activity, the figures were 18.2 percent owned an IRA or Keogh account, 18.3 percent had a 401K or Thrift Savings Plan, and 22.1 percent owned stocks and mutual funds (2002 Detailed Tables, Table 2). For married-couple households, median values were $21,678 for IRA or Keogh accounts, $21,000 for 401K and Thrift Savings Plans, and $12,000 for stocks and mutual funds (2002 Detailed Tables, Table 1). For male householders, median values were $15,000 for IRA or Keogh accounts, $15,000 for 401K

Table 8.
Median Net Worth and Median Net Worth Excluding Home Equity of Households by Type of Household and Age of Householder: 2000 and 2002

(2002 dollars)

Type of household by age of householder	2002			2000		
		Median net worth (dollars)			Median net worth (dollars)	
	Number of households (thousands)	Total	Excluding equity in own home	Number of households (thousands)	Total	Excluding equity in own home
Married-couple households	**59,002**	**101,975**	**24,950**	**56,700**	**97,831**	**29,681**
Less than 35 years	11,460	15,735	4,725	10,992	18,608	6,274
35 to 54 years	28,055	97,606	26,550	28,057	99,984	34,084
55 to 64 years	9,489	195,196	69,912	8,484	184,926	79,324
65 years and over	9,998	201,667	62,000	9,166	186,561	61,761
Male householders	**19,313**	**23,700**	**5,700**	**18,146**	**26,447**	**8,093**
Less than 35 years	5,814	4,700	2,800	5,219	6,703	4,424
35 to 54 years	8,186	35,019	8,147	7,640	33,426	9,677
55 to 64 years	2,402	71,132	10,851	2,010	52,231	11,154
65 years and over	2,910	91,858	9,446	3,276	90,090	16,490
Female householders	**31,737**	**20,217**	**3,790**	**29,798**	**24,698**	**5,363**
Less than 35 years	7,150	750	(NA)	6,152	1,609	804
35 to 54 years	10,859	15,508	3,200	10,366	18,072	4,665
55 to 64 years	4,120	63,000	6,800	3,644	54,033	9,331
65 years and over	9,609	90,659	7,592	9,637	81,510	11,234

(NA) Not available.
Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

and Thrift Savings Plans, and $5,076 for stocks and mutual funds; and for female householders, median values were $14,000 for IRA or Keogh accounts, $10,000 for 401K and Thrift Savings Plans, and $9,000 for stocks and mutual funds (2002 Detailed Tables, Table 1). Hence, married-couple households are likely to have additional sources of household wealth than male and female householders, and this translates into higher total household net worth.

Table 8 expands the data shown in Figure 8 and shows the same relationship between married-couple households' median net worth and male and female householders' median net worth. Married-couple households had the largest median net worth figures in both 2000 and 2002 in total and across all age categories. Married-couple households in all age categories had median net worth figures that were generally two or three times as large as those for other types of households. As above, even after excluding home equity, male and female householders' net worth was still lower than that of married-couple households' net worth, ranging from 15.2 percent (65 years and over) to 59.3 percent (less than 35 years) for male householders and from 0.0 percent (less than 35 years) to 12.2 percent (65 years and over) for female householders. In 2002, the net worth of female householders trailed that of male householders in the three youngest age categories but was not statistically different in the 55-to-64 years and 65-and-over categories. Between 2000 and 2002, total median net worth remained statistically constant or decreased for the two youngest age groups and increased for the two oldest age groups, regardless of household type.

Net Worth by Employment Status

The median net worth in both 2002 and 2000 also varied by the employment status of the householder. The median for all households with householders under 65 years of age in 2002 was $42,255, compared with $44,715 in 2000 (Table 9). For householders who had a job for the entire 4 months covered in the SIPP survey, the median was $54,542, compared with $54,751 in 2000. For those without labor force activity (not working, not looking for work, and not on layoff), a group that includes many retired people, the median was $29,200 ($30,612 in 2000).

An explanation for the differing 2002 median net worth figures by degree of labor force activity partially lies in how asset ownership rates differ by the degree of labor force activity of the householder.

Table 9.
Median Net Worth of Households by Labor Force Activity During the 4-Month Reference Period of Householders Under 65 Years of Age: 2000 and 2002

(2002 dollars)

Labor force activity of householders under 65 years of age[1]	2002		2000	
	Number of households (thousands)	Median net worth (dollars)	Number of households (thousands)	Median net worth (dollars)
Total	**87,534**	**42,255**	**82,564**	**44,715**
With labor force activity in the past 4 months	73,189	44,652	70,175	47,533
With a job during the entire 4 months	63,380	54,542	62,781	54,751
With a job during some of the 4 months	7,746	5,787	6,735	6,613
No job during the entire 4 months, spent time looking, or on layoff	2,063	5,250	660	3,486
No labor force activity during the past 4 months	14,345	29,200	11,912	30,612

[1] People whose labor force activity status during the reference period was not known were classified as having "No labor force activity during the past 4 months." People who had labor force activity during the reference period, but whose monthly labor force status was not known for at least one of the months in the reference period and who indicated that they had a job at some time during the past 4 months were classified as being "With a job during some of the 4 months." People who had labor force activity during the reference period but whose monthly labor force status was not known for at least one of the months in the reference period and who indicated that they had no job, were on layoff, or were looking for work during the past 4 months were classified as "No job during the entire 4 months, spent time looking, or on layoff." The methodology described above was not applied to the 2000 data, which were drawn from the past report in this series (P70-88). Consequently, for the 2000 data, people who met one of the three above conditions were not given a labor force activity classification, and therefore, the totals for the "With labor force activity" and "No labor force activity" categories do not add to the total number of households with householders under 65 years of age.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 and 2001 Panels.

Those with a job for the entire 4 months covered in the survey had more than double the home ownership rate of householders who had a job for only some of the months or who had no job during the entire 4 months, spent time looking for work, or were on layoff (2002 Detailed Tables, Table 2).[26] Householders with no labor force activity had a home ownership rate 10 percentage points lower than householders who held a job for the entire reference period (2002 Detailed Tables, Table 2). The median home equity value for householders with a job for only some of the reference period was 28.3 percent lower than that of householders who held a job for the entire reference period ($43,000 compared with $60,000). Householders who did not have a job during the reference period, spent time looking for work, or were on layoff had a median home equity value that was 11.7 percent lower than that of householders who held a job for the entire reference period ($53,000 compared with $60,000) (Detailed Tables, Table 1). However, householders with no labor force activity had a median home equity value 20.0 percent higher than fully active householders ($72,000 compared with $60,000) (2002 Detailed Tables, Table 1).

Ownership rates of IRA or Keogh accounts and 401K and Thrift Savings Plans for the two less than fully active groups were approximately half that of householders who had a job for the entire period of the survey, and the median values for IRA or Keogh accounts and 401K and Thrift Savings Plans were approximately 20.0 percent to 40.0 percent lower than that of householders who held a job during the entire reference period (2002 Detailed Tables, Tables 1 and 2). Householders with no labor force activity also had lower ownership rates for IRA or Keogh accounts and 401K and Thrift Savings Plans, but, as was the case for home equity, their median values for these two assets were higher than householders who held a job for the entire reference period ($26,000 compared with $15,000 for IRA or Keogh accounts; $25,000 compared with $17,000 for 401K and Thrift Savings Plans) (2002 Detailed Tables, Tables 1 and 2).

Source of the Data

The population represented (the population universe) is the civilian noninstitutionalized population living in the United States. The SIPP is a longitudinal survey conducted at 4-month intervals. The institutionalized population, which is excluded from the population universe, is composed primarily of the population in correctional institutions and nursing homes (91 percent of the 4.1 million institutionalized population in Census 2000).

[26] Home ownership rates between householders who had a job for only some of the months and householders who had no job the entire 4 months, spent time looking for work, or were on layoff were not statistically different.

Accuracy of the Estimates

Statistics from surveys are subject to sampling and nonsampling error. All comparisons presented in this report 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.

The SIPP weighting procedure uses ratio estimation, whereby sample estimates are adjusted to independent estimates of the national population by age, race, sex, and Hispanic origin. This weighting partially corrects for bias due to undercoverage, but biases may still be present when people who are missed by the survey differ from those interviewed in ways other than age, race, sex, and Hispanic origin. How this weighting procedure affects other variables in the survey is not precisely known. All of these considerations affect comparisons across different surveys or data sources.[27]

For further information on the source of the data and accuracy of the estimates, including standard errors and confidence intervals, go to <www.sipp.census.gov/sipp/sourceac/S&A2_SIPP2001_w1tow9_20050214.pdf> and <www.sipp.census.gov/sipp/sourceac/S&A96_030228.Long.pdf> or contact Heather L. Haas, Demographic Statistical Methods Division, at <heather.l.haas@census.gov>.

[27] For a more detailed discussion of the SIPP's sampling and weighting procedures, see <www.sipp.census.gov/sipp/sam_and_wt.html>.

For additional information on SIPP, go to <www.sipp.census.gov/sipp> (main SIPP Web site), <www.sipp.census.gov/sipp/workpapr/wp230.pdf> (SIPP Quality Profile), and <www.sipp.census.gov/sipp/usrguide/sipp2001.pdf> (SIPP User's Guide).

Contacts

Additional information on wealth statistics can be found by contacting the Statistical Information Staff at <hhes-info@census.gov> or 301-763-3242.

For further information on the content of the report, contact Thomas Palumbo of the Census Bureau's Housing and Household Economic Statistics Division at <thomas.j.palumbo@census.gov> or 301-763-3230.

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About This Report

The Survey of Income and Program Participation (SIPP) periodically collects detailed wealth data as part of its normal operation.[28] The SIPP has a large sample size (approximately 35,000 households in the 2001 Panel) that allows comparisons of the assets of small groups, especially those that tend to be underrepresented in other surveys (such as low-income households).[29] Because the SIPP's sample design uses an address list that is updated repeatedly through extensive listing procedures, the SIPP enjoys a high degree of population coverage, which makes its statistical estimates valid representations of the population.[30] The SIPP's design also allows the reliable measurement of household median net worth, the percentage of households holding a particular type of asset, and the distribution of the net worth of households by asset type.

The distribution of wealth in the United States has a positive skew, with relatively few households holding a large proportion of the wealth. For this type of distribution, the median is the preferred measure of central tendency because it is less sensitive than the average (mean) to extreme observations. The median provides a more accurate representation of the wealth and asset holdings of the typical household. For example, in 2002, many more households had a net worth near the median of $58,905 than near the average of $187,125.

The median is also preferred because the concentration of wealth among relatively few households affects estimates of average household net worth and of the aggregate net worth of the country made from surveys not taking this concentration into consideration.[31] To address this issue, a household survey should heavily oversample wealthy households to obtain a better representation of the less commonly held assets. For example, the Survey of Consumer Finances (SCF), conducted by the Federal Reserve Board, oversamples households likely to be wealthy.[32] The SIPP, however, does not over sample wealthy households (indeed, it oversamples lower-income households), and hence, its estimates of average net worth and total aggregate net worth are noticeably lower than the estimates from the SCF.[33]

Data in this report are presented in constant 2002 dollars using the research series of the Consumer Price Index (CPI-U-RS). Appendix B describes this inflation adjustment methodology. Median household net worth is analyzed by household income, age, race, ethnicity, type of household, and labor force activity of the householder.

Detailed tables for this and earlier reports are provided on the Internet at <www.census.gov/hhes/www/wealth/wealth.html>.

[28] Other sources for wealth and asset information include the Federal Reserve's *Survey of Consumer Finances* and *Flow of Funds Accounts*, the University of Michigan's *Panel Study of Income Dynamics*, and the Bureau of Labor Statistics' *National Longitudinal Surveys* and *Consumer Expenditure Survey*.

[29] The population represented (the population universe) is the civilian noninstitutionalized population living in the United States.

[30] See the 2001 SIPP Source and Accuracy Statement and the 1998 SIPP Quality Profile available at <www.sipp.census.gov/sipp/technical.html>.

[31] The aggregate value of net worth is the product of the number of households times average net worth.

[32] For a detailed description of the Survey of Consumer Finances (SCF) sampling strategies, see Gerhard Fries, Martha Starr-McCluer, and Annika E. Sunden, *A Measurement of Household Wealth Using Survey Data: An Overview of the Survey of Consumer Finances*, 1998; Arthur B. Kennickell, *Wealth Measurement in the Survey of Consumer Finances: Methodology and Directions for Future Research*, 2000; and Arthur B. Kennickell, *Modeling Wealth with Multiple Observations of Income: Redesign of the Sample for the 2001 Survey of Consumer Finances, 2001* available at <www.federalreserve.gov/Pubs/oss/oss2/method.html>.

[33] One reason that the estimates of median net worth from the SIPP and the SCF are closer than their estimates of average net worth is that the SCF is intended to measure family wealth and is more comprehensive in its coverage of asset holdings. The SIPP does not measure equity in pension plans, cash surrender value of life insurance policies, and the value of household furnishings, such as antiques, art, and jewelry.

Appendix A.
Changes in Median Estimation From Pre-1995 Reports

This report uses an estimation technique to identify the median that differs from the one used for the pre-1995 Survey of Income and Program Participation (SIPP) reports in this series on household wealth and asset ownership. The estimation technique in this report uses a "traditional" median estimation procedure that lines up all the values from lowest to highest; the value corresponding to the 50th percentile becomes the median. Respondents tend to round off responses to the nearest hundred and/or thousand, and this tendency is reflected in the median values throughout the report. In past reports, an interpolation formula was used on grouped data for median estimation (see Appendix C in the 1991 Household Wealth and Asset Ownership report [P70-34], available at <www.sipp.census.gov/sipp/pubsmain.htm>). The median interpolation value and its standard error can vary widely depending on the intervals chosen for use in the formula. The "traditional" median estimation does not rely on interpolation within grouped data and is easily replicated. Furthermore, the standard error estimate using the "traditional" median procedure produces much smaller standard errors that are both robust and efficient.[34] When comparing the data from past reports with data from this report, the standard error of each estimate must be pooled to test for statistically significant differences between the estimates (see the source and accuracy statement for the 1992 Panel for details at <www.sipp.census.gov/sipp/methmain.htm>).

[34] Peter J. Rousseeuw and Christopher Croux, "Alternatives to Median Absolute Deviation," *Journal of the American Statistical Association*, vol. 88, 1993, pp. 1273–83.

Appendix B.
Inflation-Adjustment (Constant-Dollar) Methodology

To be consistent with the practice of the Current Population Survey and the Survey of Consumer Finances, this report used an adjustment factor based upon the Consumer Price Index Research Series Using Current Methods (CPI-U-RS) to inflate current 2000 dollar values to constant 2002 levels. The adjustment factor was calculated by taking the average of the 2002 CPI-U-RS values for the reference period for the Survey of Income and Program Participation (SIPP) 2002 data (September 2002, October 2002, November 2002, and December 2002) and dividing this average by the average of the 2000 CPI-U-RS values for the 4 months in the SIPP reference period for the 2000 data (November 1999, December 1999, January 2000, and February 2000). The CPI-U-RS values were obtained from <www.bls.gov/cpi/cpiurstx.htm>. The resulting adjustment factor for 2000 was 263.725/245.900 = 1.0725.

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