The Wealth of Households: 2021

Current Population Reports

By Briana Sullivan, Donald Hays, and Neil Bennett

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INTRODUCTION

This brief examines household wealth at the end of 2021 using the U.S. Census Bureau's 2022 Survey of Income and Program Participation (SIPP) public-use data. It highlights differences in asset ownership and debt-holding rates and demonstrates significant variation in median household wealth by demographic and economic characteristics such as education and income. By illustrating how wealth varies across U.S. households, this brief provides key insights into the economic well-being of households.[1]

THE DISTRIBUTION OF HOUSEHOLD WEALTH

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

Table 1 presents the value of household wealth by percentile. The median household wealth in 2021 was $166,900. The 10th percentile of household wealth was zero dollars, meaning 1 in 10 households had wealth of zero dollars or less. The 90th percentile of household wealth was $1,623,000, meaning 1 in 10 households had wealth exceeding $1.6 million.

[1] All estimates include households with negative wealth.

WHAT IS SIPP?

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

KEY CONCEPTS AND DEFINITIONS

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

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

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

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ASSET OWNERSHIP RATES AND VALUES

The SIPP collects data on many different asset types; the ownership rates and median values of these assets are presented in Table 2.[2] In calculating median asset value, equity is the value of an asset net of any secured debts held against it. For example, the mortgage balance is subtracted from the value of a home to calculate home equity. Therefore, the value of these secured assets may be negative.

Assets at financial institutions, such as checking and savings accounts, and vehicle equity were the most common assets. In 2021, 95.7 percent of households had assets at financial institutions, and 82.0 percent owned vehicles. The median values of these two asset classes were among the lowest values: $10,000 for assets at financial institutions and $15,400 for vehicles.[3]

Table 1.
Value of Household Wealth by Percentile: 2021

Percentile	2021 dollars
10th	0
25th	16,560
50th	166,900
75th	604,900
90th	1,623,000

Source: U.S. Census Bureau, 2022 Survey of Income and Program Participation, public-use data.

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

[3] The median values of assets at financial institutions and vehicles were statistically lower than the median values of equity in own home, retirement accounts, other real estate, stocks and mutual funds, and rental property.

Table 2.
Asset and Unsecured Debt Ownership Rates for Households and Median Values of Asset Holdings and Unsecured Debts Owed: 2021

Asset or debt type	Percent holding asset or debt type	Standard error	Median value (2021 dollars)[1, 2]	Standard error (2021 dollars)
WEALTH	X	X	166,900	3,401
Value of Asset Holdings				
Assets at financial institutions	95.7	0.2	10,000	85
Vehicles	82.0	0.4	15,400	171
Equity in own home	61.9	0.3	174,000	4,467
Retirement accounts[3]	59.5	0.4	79,900	3,198
Stocks and mutual funds	27.3	0.4	32,000	2,836
Business assets	15.4	0.3	8,001	2,117
Other real estate	8.2	0.2	100,000	2,686
Bonds	8.0	0.2	3,000	464
Rental property	7.0	0.2	200,000	9,767
Other asset holdings[4]	24.9	0.4	20,000	686
Unsecured Debts[5]				
All unsecured debts	55.0	0.4	8,000	351
Credit card and store bills	41.6	0.4	3,300	347
Student loan and education-related expenses	18.6	0.3	20,000	129
Medical debts	15.0	0.3	2,000	13
Other unsecured debts[6]	8.9	0.2	5,000	836

X Not applicable.
[1] Asset values are net of debts held against them, otherwise known as equity. Wealth is also net of all unsecured debts.
[2] Estimates of median value are conditional on asset ownership or possession of the relevant debt type. If a household held an asset or debt type during the reference year but reported its value to be zero dollars as of December 31 (e.g., because the asset was sold or the debt paid off), the zero is included in the median calculation.
[3] Includes Individual Retirement Accounts (IRAs), Keogh accounts, Thrift Savings Plans, and 401(k) accounts.
[4] Includes annuities, trusts, cash life insurance policies, educational savings accounts, mortgages held for sale of real estate, amount due from sale of business property, and other financial assets.
[5] The percentage of households holding secured debts and the median value of those debts can be found in the "2021 Wealth, Asset Ownership, & Debt of Households Detailed Tables" at <www.census.gov/data/tables/2021/demo/wealth/wealth-asset-ownership.html>. Estimates are provided for total secured debt, home debt, business debt, and vehicle debt.
[6] Includes loans obtained through a bank or credit union, money owed to private individuals, debt held against mutual funds or stocks, and all other debts.
Source: U.S. Census Bureau, 2022 Survey of Income and Program Participation, public-use data.

The assets with the highest median values were primary home equity ($174,000) and rental property equity ($200,000). Equity in one's own home was the third-most common asset class; 61.9 percent of households owned a home during the year. Rental property was among the least commonly held assets, owned by 7.0 percent of households.

Retirement accounts were also a major source of wealth, with a median value of $79,900. They were the fourth-most common asset class, owned by 59.5 percent of households.

RATES AND VALUES OF UNSECURED DEBT HOLDINGS

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

In 2021, 55 percent of households had some unsecured debt. Credit card debt was the most common form of unsecured debt, held by 41.6 percent of households. The category with the highest median debt was student loans, at $20,000. In 2021, 15.0 percent of households had medical debts; the median amount owed was $2,000.

THE COMPOSITION OF HOUSEHOLD WEALTH

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

Because the asset holdings of extremely wealthy households are not representative of the rest of the population, this section focuses on households at or below the 99th percentile of net worth.

In 2021, home equity and retirement accounts composed the majority (62.6 percent) of aggregate household wealth. Specifically, 34.1 percent of household wealth was held in retirement accounts, and home equity accounted for 28.5 percent of household wealth.

Despite being the two most commonly held assets, assets at financial institutions and vehicle equity accounted for 3.2 percent and 8.1 percent of aggregate household wealth, respectively.[5]

The value of total unsecured debt held by all households was 2.9 percent of aggregate wealth. Student loans and other education-related expenses accounted for the largest share of unsecured debt in the United States. Although the magnitude of these expenses was equivalent to 1.5 percent of aggregate wealth, they accounted for 51.7 percent of unsecured debt.

MEDIAN WEALTH BY HOUSEHOLD CHARACTERISTICS

Figure 2 depicts how median wealth varied by demographic and economic characteristics of the household according to the 2022 SIPP.

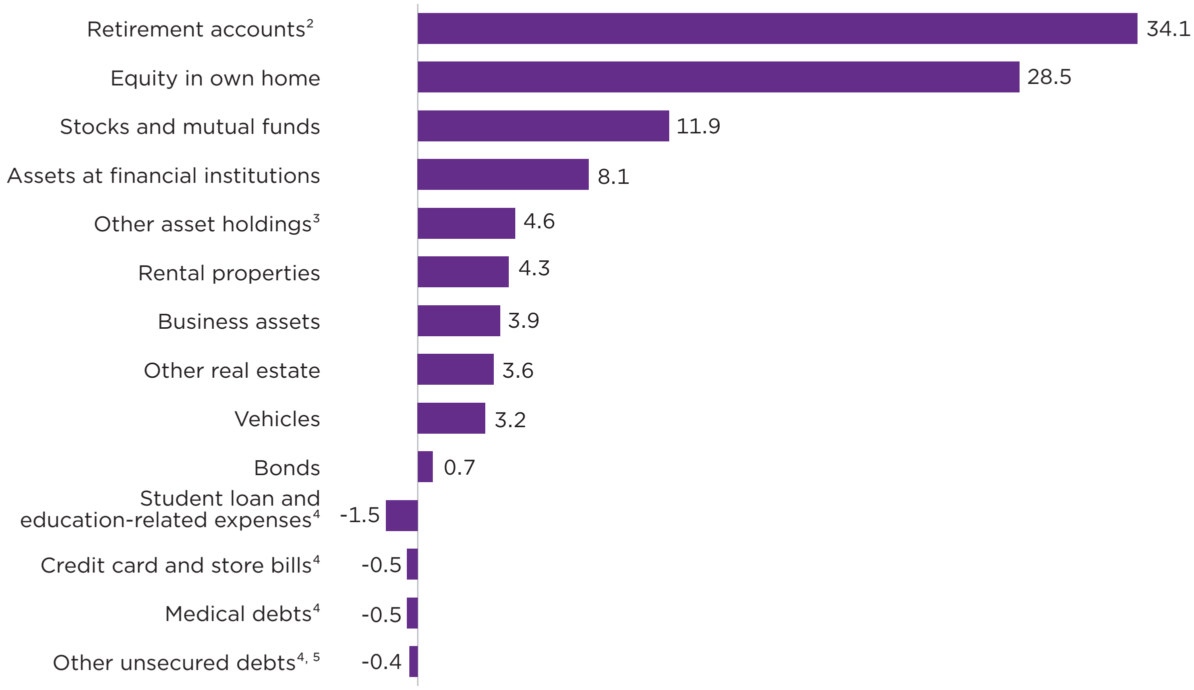
The data suggest that households generally accumulate more wealth as they age. For households in which the householder was under the age of 35, median wealth was $30,500 in 2021. For households in which the householder was between 70 and 74 years old, median household wealth was $373,900, or about 2.2 times the value of overall median wealth ($166,900). Figure 2 also suggests that aging households eventually draw down their wealth. For households in which the householder was at least 75 years old, median household wealth was $315,900, or about eight-tenths of the median household wealth for householders between 70 and 74.

Higher education was associated with more wealth. Median wealth among households in which the most educated member held a high school diploma was $55,030, or 6.5 times greater than households in which no member had a high school diploma. Households in which the most educated member had a bachelor's degree had a median wealth of $266,600, or about 32 times greater than households in which no member had a high school diploma.

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

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

Figure 1.
Composition of Wealth by Asset Type: 2021[1]
(In percent)



[1] Excludes households in the top 1 percent of wealth.
[2] Includes Individual Retirement Accounts (IRAs), Keogh accounts, Thrift Savings Plans, and 401(k) accounts.
[3] Includes annuities, trusts, cash life insurance policies, educational savings accounts, mortgages held for sale of real estate, amount due from sale of business property, and other financial assets.
[4] Because wealth is assets minus debts, unsecured debts are subtracted from the distribution of wealth and are shown as negative.
[5] Includes loans obtained through a bank or credit union, money owed to private individuals, debt held against mutual funds or stocks, and all other debts.

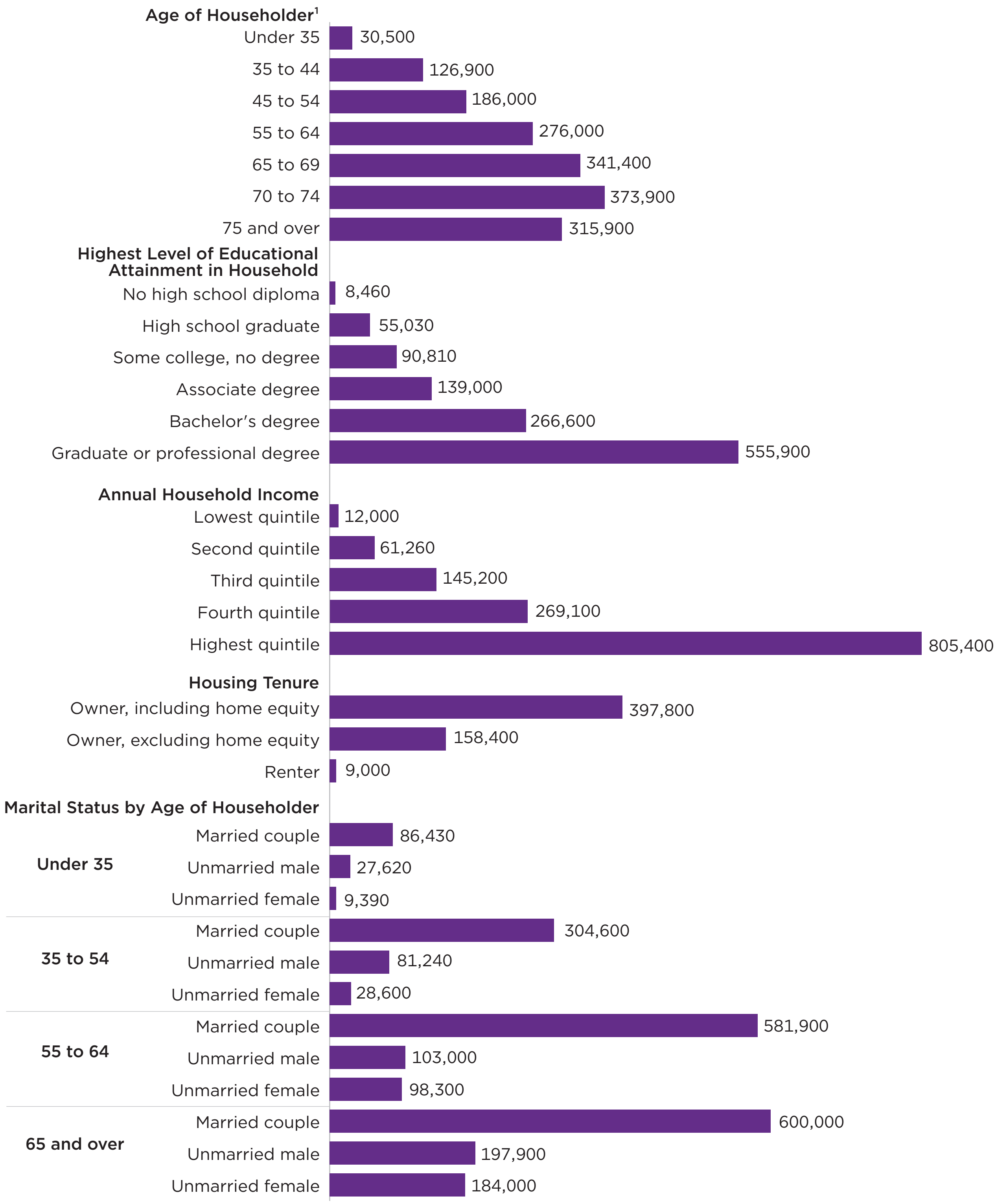
Source: U.S. Census Bureau, 2022 Survey of Income and Program Participation, public-use data.

Households with higher annual incomes had more wealth. When households are separated into quintiles, meaning five equally sized groups ordered by income from lowest to highest, a meaningful wealth difference can be found between the highest, the middle, and the lowest income households. For example, the median wealth of households in the lowest income group (lowest quintile) was 8.3 percent of the median wealth of households in the middle income group (third quintile). The median wealth of households in the third income quintile was 18.0 percent of the median wealth of the households with the highest income (highest quintile).

Homeowners were wealthier than renters. Households that owned their home had a median wealth about 44 times larger than those that rented. If home equity is excluded from total wealth, the median wealth of households that owned their home was 17.6 times that of the median household that rented. In other words, home equity alone did not account for the difference in median wealth between households that owned and households that rented.

The median wealth of married householders was greater at all age levels than that of unmarried householders. For example, married householders under the age of 35 had a median wealth 9.2 times that of unmarried female householders and 3.1 times that of unmarried male householders. This pattern suggests that the gaps in median wealth cannot solely be attributed to the presence of an additional adult in the household; otherwise, married householders would have no more than twice the median wealth of unmarried householders.

Figure 2.
Median Wealth by Household Characteristics: 2021
(In 2021 dollars)



[1] Householder is a person who owns or rents the housing unit (whose name appears on the deed or lease).
Source: U.S. Census Bureau, 2022 Survey of Income and Program Participation, public-use data.

Differences by sex for some age groups are also statistically significant. In the under the age of 35 and 35–54 groups, the median wealth of unmarried female householders was less than the median wealth of unmarried male householders. For example, unmarried female householders under the age of 35 had a median wealth of $9,390, 34.0 percent of their unmarried male counterparts' wealth. But among those aged 55–64 and 65 and over, the difference in median wealth between unmarried male and female householders is not statistically significant.

SUMMARY

Estimates presented in this brief illustrate the wide variation in household wealth and, therefore, households' economic well-being. Assets at financial institutions, such as checking or savings accounts, and vehicle equity were the most commonly held assets, but they only accounted for a relatively small portion of aggregate household wealth. Retirement accounts and home equity made up the majority of aggregate household wealth. Additionally, the estimates demonstrate significant variation in median wealth by demographic and economic characteristics, namely age, education, income, home ownership, and marital status.

SOURCE AND ACCURACY

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

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

CONTACTS

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

For further information on the content of this report, contact:

Briana Sullivan
<Briana.D.Sullivan@census.gov>

Neil Bennett
<Neil.Bennett@census.gov>

Donald Hays
<Donald.Hays@census.gov>

Labor Force Statistics Branch
301-763-3230.

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