Net Worth and Asset Ownership of Households: 1998 and 2000

Household Economic Studies

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INTRODUCTION

Two of the most important defining factors of economic status in the United States are income and net worth. When considered alone, income—the resources a household or person receives from a job, transfer program, or other source—provides an incomplete picture of economic well-being. Only when the wealth or net worth—the difference between assets and liabilities—a person or household has at any given time is considered in conjunction with income does a better understanding of economic health and well-being emerge.[1]

This report compares the levels of wealth and asset ownership, such as equity in a home, savings accounts, certificates of deposit, vehicle ownership, and mutual funds, with various socioeconomic factors, including monthly household income, in late 1997 and early 1998, and in late 1999 and early 2000 ("1998" and "2000" in this report).[2] The data are from the 1996 panel of the Survey of Income and Program Participation (SIPP) and represent information collected from December 1997 through March 1998 and December 1999 through March 2000.[3] SIPP collects liability and asset 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 1995 collected in February-March 1995.[4]

[1]For a further discussion of the relationship between wealth and income, see Arthur B. Kennickell, 1999, "Using Income to Predict Wealth" available at *www.federalreserve.gov/pubs/oss/oss2/method.html.*

[2]See box "Key Definitions and Explanations" on page 3 for the definitions of the concepts (for example, net worth) used throughout this report. The estimates in this report are based on responses from a sample of the population. As with all surveys, estimates may vary from the actual values because of sampling variation or other factors. All comparisons made in this report have undergone statistical testing and are significant at the 90-percent confidence level unless otherwise noted.

[3]The sample of households in 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 sixth and twelfth waves of the 1996 SIPP panel. For the "1998" figures in this report, data were collected from the first rotation group in December 1997 and refer to the last day of November 1997; the second rotation group was interviewed in January of 1998 and their data refer to December 1997, 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 (excluding people in group quarters) in November and December, 1997, and January and February, 1998. 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 noninstitutional population (excluding people in group quarters) in November and December, 1999, and January and February, 2000.

[4]Data for 1995 were published in the report: P70-71 "Household Net Worth and Asset Ownership: 1995." This series of reports from SIPP began with the publication of P70-7, "Household Wealth and Asset Ownership: 1984." Data for 1991 and 1993 were published in P70-34, "Household Wealth and Asset Ownership: 1991," and P70-47,"Asset Ownership of Households: 1993," respectively.

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HIGHLIGHTS

(All dollar values in this report are expressed in 2000 dollars, unless specified otherwise.)

- Median household net worth increased from $49,932 in 1998 to $55,000 in 2000.[5]
- Median household asset values of stocks, rental property and Individual Retirement Accounts (IRA and Keogh accounts) also experienced significant increases between 1998 and 2000.
- The median household value of other financial investments fell during the same period from $24,367 to $22,000. Other financial investments include mortgages held for sale of real estate and amount due from sale of business or property.
- Median home equity for households was $59,000 in 2000, significantly higher than the 1998 median household home equity of $55,263.
- In 2000, median household net worth varied from $7,396 for households in the lowest income quintile to $185,500 for households in the highest income quintile.
- In 2000, median household net worth generally increased with the age of the householder, rising from $7,240 for householders under the age of 35, to $108,885 for householders 65 and older.
- In 2000, the household median net worth was $79,400 for households with a non-Hispanic White householder, $7,500 for households with a Black householder, and $9,750 for households with a Hispanic householder.[6] Hispanic households and Black households had significantly lower net worth than non-Hispanic White households, but the difference between Hispanic and Black households was not statistically significant.
- Married-couple households, the majority of households, had the highest median net worth in 2000: $91,218. Significantly lower net worth characterized male householders ($24,659) and female householders ($23,028).
- In 2000, households with householders having a job for the entire 4-month reference period had a median household net worth of $51,050, compared with $28,543 for those with householders having no labor force activity during this time.

ABOUT THIS REPORT

SIPP periodically collects detailed wealth data as part of its normal operation.[7] SIPP has a large sample size (approximately 37,000 households in the 1996 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).[8] Because SIPP's sample design uses an address list that is updated repeatedly through extensive listing procedures, SIPP enjoys a high degree of population coverage, which makes its statistical estimates valid representations of the population.[9] SIPP's design also allows for 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 large 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 is also considerably lower than the average, and provides a more accurate representation of the wealth and asset holdings of the typical household. For example, more households have a net worth near the median of $55,000 than near the average of $182,381.

The median is also preferred because the concentration of wealth among relatively few households affects estimates of the average household net worth

[5]The median net worth is the amount which divides the net worth distribution into two equal groups, one having household net worth less than the median amount and the other having net worth above the median. See Appendix B for a technical description of the changes in median estimation from earlier reports in this series.

[6]Hispanics may be of any race. The race or Hispanic origin of the householder designates the race or Hispanic origin of the household.

[7]Other sources for wealth and asset information include the Survey of Consumer Finances, the National Longitudinal Study, the Federal Reserves Flow of Funds accounts, the Panel Study of Income Dynamics, and the Consumer Expenditure Survey.

[8]The population represented in this report is the noninstitutional population, which excludes people in group quarters. Group quarters are units consisting of unrelated individuals living together in living quarters that have separate rooms but share common facilities such as dining halls. Individuals in group quarters would not normally share financial resources. The survey's universe also excludes people in institutions, people in Puerto Rico, and people living in military barracks. Members of the Armed Forces living off post or with their families on post are included if there is at least one civilian adult living in the household.

[9]See the 1993 SIPP "Source and Accuracy Statement" and the 1998 SIPP "Quality Profile" available at the following Web site: *www.sipp.census.gov/sipp/methmain.htm.*

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 house 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 which 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 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. These items are not covered because it is particularly difficult to obtain reliable estimates of the value of these assets in a household survey.

Median net worth. The median net worth is the amount which 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.

Comparison of average and median values of net worth. Average and median values are measures of central tendency of distributions. For symmetric distributions, the average and median values are the same. For skewed distributions, however, the average and median values 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 average net worth; the large proportion of values at the low end bring 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*.

and of the aggregate net worth of the country made from surveys not taking this concentration into consideration.[10] 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.[11] SIPP, however, does not oversample wealthy households (indeed, it oversamples lower-income households), and its estimates of average net worth and total aggregate net worth are significantly lower than the estimates from the SCF. For example, average or mean net worth in 1998 from SIPP was $149,629 (in 1998 dollars), compared with $282,500 (in 1998 dollars) from the SCF. The two surveys' estimates of median household net worth for the same year were substantially different from each other but much closer: $47,887, and $71,600, respectively.[12]

Appendix A presents the results of a study that benchmarked SIPP estimates against those from the SCF.

Data in this report are presented in constant 2000 dollars using the research series of the Consumer Price Index for urban consumers (CPI-U-RS) (Appendix C describes this methodology). Median household net worth is analyzed by household income, age, race, ethnicity, type of household, and labor force activity of the householder. The report also compares 2000 and 1998 homeownership rates.

Detailed tables for this and earlier reports are provided on the Internet at *www.sipp.census.gov/sipp/pubsmain.htm.*

HOUSEHOLD NET WORTH

The median household net worth in 2000 was $55,000, higher than in 1998, when it was $49,932. SIPP data show that net worth fell from 1984 until 1993, then began climbing, but did not surpass the 1984 level until 2000 (Table B).

Table A and Figures 1, 2, and 3 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 2000 and 1998.

Home equity (the value of the home minus the mortgage amounts) constituted the largest share of household net worth, accounting for 32.3 percent of total net worth in 2000. In 2000, 67.2 percent of households reported owning homes with a median equity of $59,000 in their homes; up from 66.4 percent and $55,263 in 1998. As also shown in Figure 2 and Figure 3, the percentage of people owning their own home, as well as the median value of the equity in their home, increased between 1998 and 2000. The Housing Vacancy Survey estimated the homeownership rates for the first quarter of 1998 and 2000 as 65.9 and 67.1 percent, respectively.[13]

Probably reflecting the stock market boom of the late 1990s, stocks and shares in mutual funds held outside IRAs and 401K plans made up the next largest share of net worth in 2000—15.6 percent, well above the share in 401K and Thrift Savings Plans and interest-earning assets at financial institutions (9.7 and 8.9 percent, respectively). However, the percentage of households owning interest-earning assets was far greater than the percentage that owned stocks or mutual-fund shares: in 2000, 65.0 percent of households had interest-earning assets at financial institutions, with a median value of $4,000; while only 27.1 percent owned stocks or mutual-fund shares, with a median value of $19,268.

In 2000, 3.3 percent of households reported owning other interest-earning assets (such as government securities and municipal bonds), lower than in 1998 (3.9 percent). In 2000, the median value of household holdings in these assets was $29,013, not significantly different from 1998 ($31,281). At the same time, the percentage of households owning

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

[11]The 1998 SCF was divided into two samples totaling 4,309 families. The first is an area probability sample, with 2,813 families, that is similar in construction to the SIPP sample; the second (called the "list" sample), with 1,496 families, oversamples high income families, as determined by tax documents from the Internal Revenue Service. For a detailed description of the SCF sampling strategies, see Gerhard Fries, Martha Starr-McCluer and Annika Sunden, "A Measurement of Household Wealth Using Survey Data: An Overview of the Survey of Consumer Finances," available at the following Web site *www.federalreserve.gov/pubs/oss/oss2/method.html.*

[12]One reason that the estimates of median net worth from SIPP and SCF are much closer than their estimates of average net worth is that the SCF survey is intended to measure family wealth and is more comprehensive in its coverage of asset holdings. 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. See Appendix A for a further discussion of differences between SCF and SIPP.

[13]The Housing Vacancy Survey provides current information on rental and homeowner vacancy rates, and 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 thereby 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.*

Table A.

Asset Ownership Rates for Households, Median Value of Holdings, and the Distribution of Net Worth by Asset Type: 1998 and 2000

(Excludes residents of group quarters)

Asset type	2000			1998 (In 2000 dollars)		
	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)**	**55,000**	**100.0**	**(X)**	**49,932**	**100.0**
Interest-earning assets at financial institutions	65.0	4,000	8.9	63.9	3,854	8.1
Other interest-earning assets	3.3	29,013	1.7	3.9	31,281	2.7
Regular checking accounts	37.5	600	0.3	38.9	521	0.4
Stocks and mutual fund shares	27.1	19,268	15.6	27.1	17,517	18.8
Own home	67.2	59,000	32.3	66.4	55,263	33.7
Rental property	4.9	70,000	3.7	5.4	59,434	4.5
Other real estate	6.6	40,000	3.6	6.5	31,281	3.2
Vehicles	85.8	5,875	3.7	85.3	6,073	4.4
Business or profession	10.8	10,000	7.7	11.5	7,299	7.3
U.S. savings bonds	14.7	1,000	0.5	16.3	834	0.6
IRA or Keogh accounts	23.1	24,000	8.6	21.3	19,811	7.9
401K and thrift savings plans	29.9	20,000	9.7	26.8	15,641	8.6
Other financial investments[2]	3.9	22,000	1.6	4.7	24,367	2.6
Unsecured liabilities[3]	52.7	4,000	–3.0	54.7	3,649	–3.4

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. The outlier adjustments to the individual assets and not the totals led to this column not summing to 100 percent.

[2]Includes mortgages held for sale of real esate, 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 panel.

Assets and Liabilities Included in Net Worth

I. Assets

- Interest-earning assets held at financial institutions
  - Passbook savings account
  - Money market deposit accounts
  - Certificate 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
- Motor vehicles
- Other financial assets

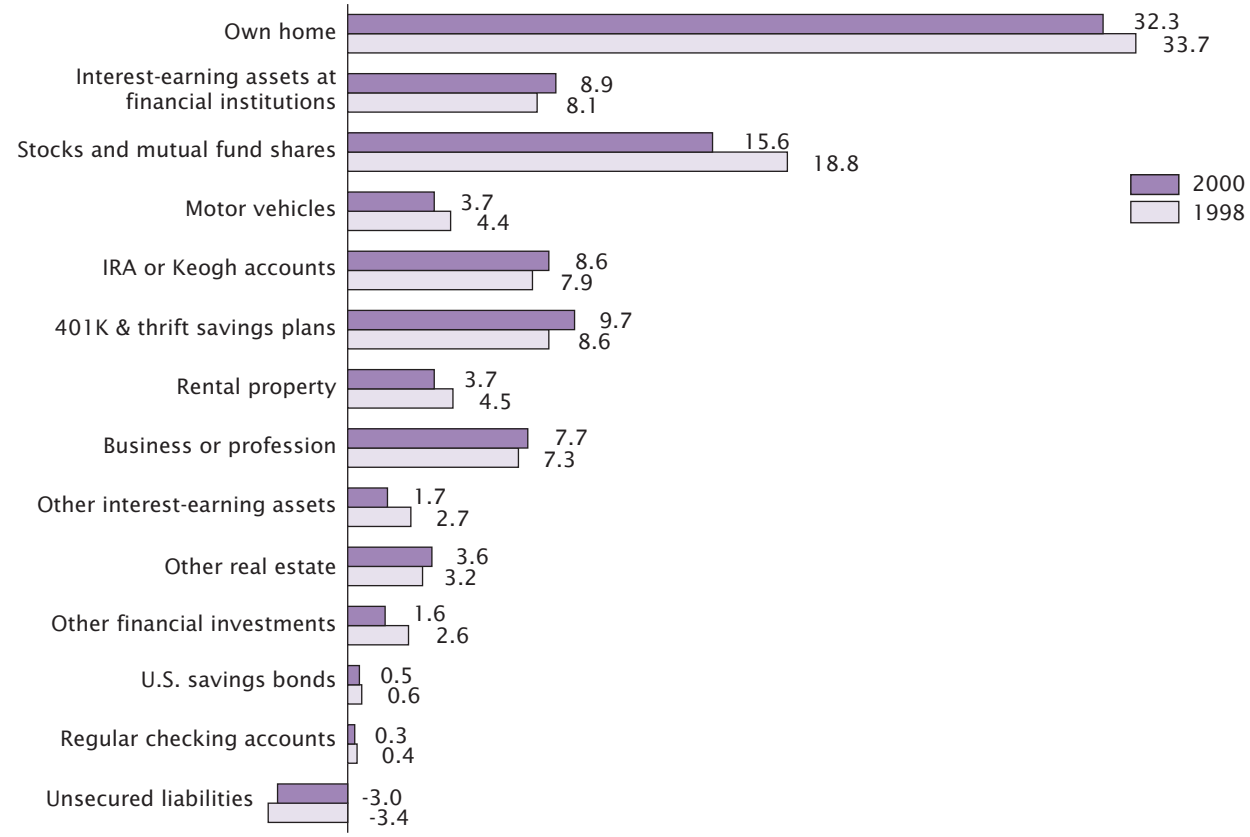
II. Liabilities

- 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

Figure 1.

Percent of Aggregate Household Net Worth by Asset Type: 2000

(Percent)



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

IRA or Keogh accounts increased from 21.3 percent to 23.1 percent, with the median value of these accounts increasing from $19,811 to $24,000. The percentage of households owning vehicles and the median amount of the assets in those vehicles was about the same in both 1998 and 2000.

Table B.

Trends in Net Worth: 1984-2000

(In 2000 dollars)[1]

Year	Number of households[2]	Median net worth	Standard error
1984	86,790	50,018	1,046
1988	91,554	49,855	1,086
1991	94,692	44,615	961
1993	96,468	43,567	883
1995	99,088	44,578	525
1998	101,782	49,932	521
2000	104,644	55,000	567

[1]See Appendix C for methodology. For reference period, see appropriate publication at *www.sipp.census.gov/sipp/pubsmain.htm.*

[2]Number of households in thousands.

Note: SIPP was redesigned for the 1996 panel. The redesign may have affected the comparability of the data from 1998 and later years with the data from earlier panels.

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

NET WORTH BY MONTHLY INCOME

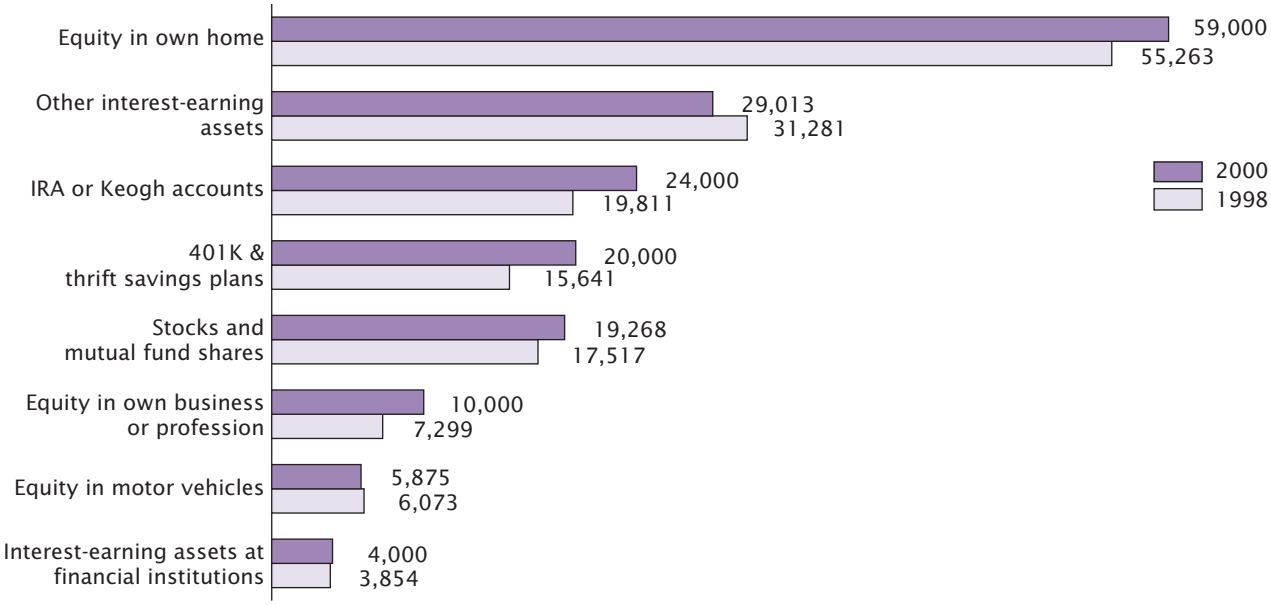
The relationship between monthly income and the net worth of households is illustrated in Table C and Figure 4. Household income is the average monthly income received from all sources by all members of a household during the last month prior to the survey interview. Both Table C and Figure 4 show a strong positive relationship between the median net worth of households and monthly income quintile for 2000 and 1998.

Median net worth in 2000 ranged from $7,396 for households in the lowest quintile to $185,500 for households in the highest. Although most quintiles saw

Figure 2.

Median Value of Asset Holdings for Selected Asset Types: 1998 and 2000

(2000 dollars)

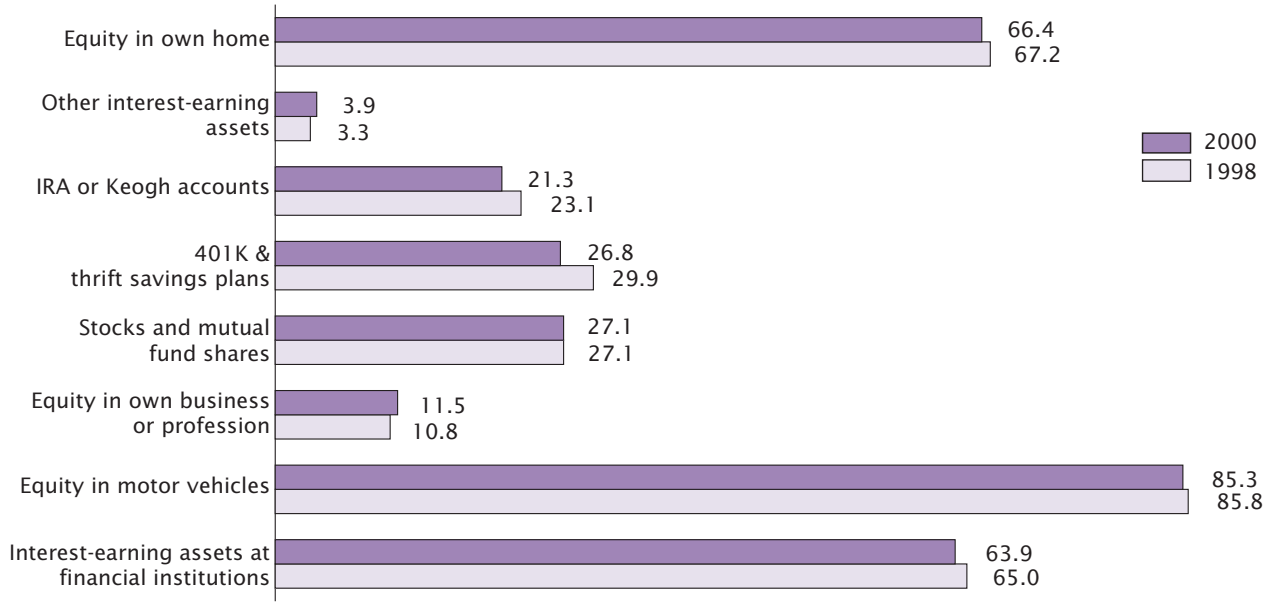


Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 panel.

Figure 3.

Asset Ownership Rates of Households for Selected Asset Types: 1998 and 2000

(Percent)



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

Table C.
Median Net Worth of Households by Monthly Household Income Quintile Groups: 1998 and 2000

(Excludes residents of group quarters)

Monthly household income quintile[1]	2000		1998 (in 2000 dollars)	
	Number of households[2]	Median net worth (dollars)	Number of households[2]	Median net worth (dollars)
Total	**104,644**	**55,000**	**101,782**	**49,932**
Lowest quintile	20,937	7,396	20,385	6,073
Second quintile	20,937	26,950	20,347	24,841
Third quintile	20,913	44,400	20,344	40,828
Fourth quintile	20,935	78,001	20,351	68,297
Highest quintile	20,923	185,500	20,354	161,174

[1]Quintile upper limits for 2000 were: lowest quintile - $1,304; second quintile - $2,426; third quintile - $3,813; fourth quintile - $5,988.
Upper limits for 1998 were: lowest quintile - $1,194; second quintile - $2,006; third quintile - $3,463; fourth quintile - $5,417.
[2]Number of households in thousands.

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

increases in median net worth between 1998 and 2000, the highest quintile in 2000 had a particularly substantive increase from $161,174 to $185,500.

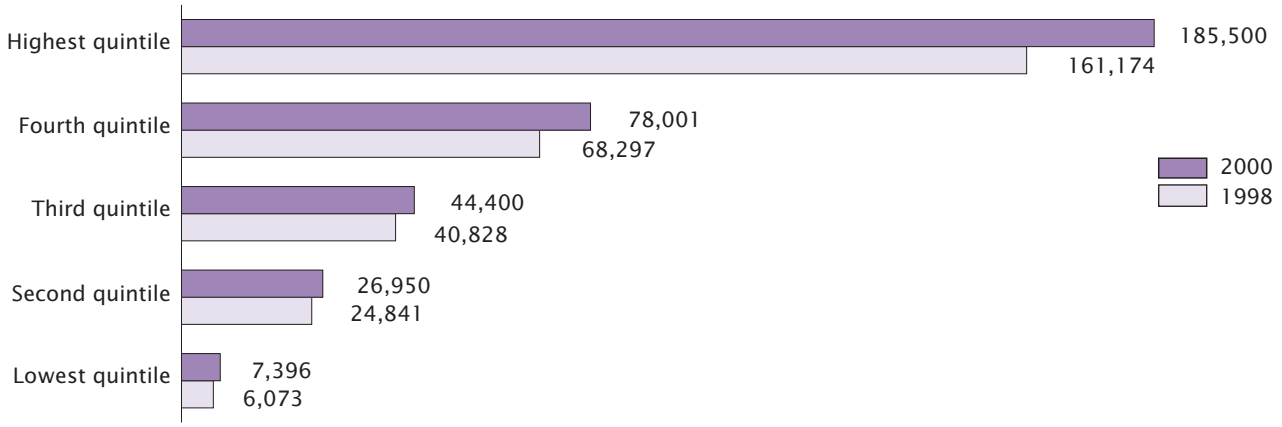
Asset ownership patterns and median household asset values also varied by household monthly income quintile (Table D). For example, the homeownership rate in 2000 ranged from 46.2 percent for households in the lowest income quintile to 87.1 percent for households in the highest income quintile, and median home equity ranged from $50,000 in the lowest income quintile to $85,000 in the highest.

Ownership rates and median values for assets other than home equity also display striking differences between the lowest and the highest income quintiles. In 2000, these assets included stocks and mutual fund shares (ownership rates of 9.2 percent for the lowest quintile, and 51.6 percent for the highest), IRA or Keogh accounts (8.6 percent and 42.6 percent), 401K and thrift savings plans (4.7 percent versus 58.2 percent) and business equity (5.9 percent rising to 18.5 percent). Median value of these assets also showed sharp differences: in 2000, the value of stocks and mutual fund shares varied from $11,500 for the lowest income group to $30,000 for the highest. Within income quintiles, the median value of stocks and mutual fund assets either increased significantly from 1998 to 2000 or remained about the same. The lowest income quintile saw an increase of $3,158 from 1998 to 2000; the fourth income quintile saw an increase of $4,488.

Table E shows that the highest income quintile held the largest share of asset value regardless of each asset type in 1998 and 2000. Its share ranged from 33.3 percent

Figure 4.
Median Net Worth of Households by Monthly Household Income Quintile Groups: 1998 and 2000

(2000 dollars)



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

Table D.
Asset Ownership Rates for Households and Median Value of the Holdings by Monthly Household Income Quintile for Selected Asset Types: 1998 and 2000

(Excludes residents of group quarters)

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 motor vehicles	Equity in own business or profession	IRA or Keogh accounts	401K and thrift saving plans
Percent of Households Owning Assets								
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
1998								
Total	**63.9**	**3.9**	**27.1**	**66.4**	**85.3**	**11.5**	**21.3**	**26.8**
Lowest quintile	35.0	1.2	9.0	45.5	61.1	6.0	7.3	4.1
Second quintile	53.4	2.3	15.6	58.3	84.8	8.2	14.1	10.9
Third quintile	66.5	3.5	23.9	66.0	91.8	10.2	19.3	25.0
Fourth quintile	76.7	4.1	33.4	75.9	93.6	13.7	24.6	38.7
Highest quintile	87.7	8.4	53.5	86.2	95.0	19.1	41.2	55.1
Median Value of Holdings for Asset Owners								
2000 (Dollars)								
Total	**4,000**	**29,013**	**19,268**	**59,000**	**5,875**	**10,000**	**24,000**	**20,000**
Lowest quintile	2,000	11,605	11,500	50,000	2,832	4,000	20,000	10,000
Second quintile	2,950	23,907	13,000	50,000	3,950	5,000	22,541	7,450
Third quintile	2,950	25,000	12,000	50,000	5,275	8,000	20,000	11,500
Fourth quintile	3,650	30,000	17,000	55,000	6,525	10,000	18,000	18,000
Highest quintile	8,000	30,000	30,000	85,000	9,885	15,000	31,000	40,000
1998 (2000 dollars)								
Total	**3,854**	**31,281**	**17,517**	**55,263**	**6,073**	**7,299**	**19,811**	**15,641**
Lowest quintile	2,662	13,068	8,342	46,922	3,311	5,214	15,641	6,048
Second quintile	2,920	24,201	10,427	52,135	4,458	5,214	17,726	5,214
Third quintile	2,419	31,281	12,512	52,135	6,073	7,820	17,726	8,342
Fourth quintile	3,145	31,281	12,512	52,135	7,247	5,214	15,641	13,555
Highest quintile	6,882	31,281	32,324	70,904	10,688	11,730	26,068	31,281

[1]Quintile upper limits for 2000 were: lowest quintile - $1,304; second quintile - $2,426; third quintile - $3,813; fourth quintile - $5,988. Upper limits for 1998 were: lowest quintile - $1,194; second quintile - $2,006; third quintile - $3,463; fourth quintile - $5,417.

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

for equity in motor vehicles and 35.4 percent for home equity to 65.6 percent for other interest-earning assets in 2000. Table E also shows that the composition of net worth by asset type differed by income quintiles in 2000. The share of net worth in home equity was highest for the lowest quintile (56.2 percent), decreasing to 24.2 percent for the highest quintile. In contrast, the highest quintile had a much larger proportion of net worth in stocks and mutual funds (18.1percent) than did the lowest quintile (7.7 percent). The same was true for interest-earning assets not held at financial institutions —2.4 percent for the highest and 0.4 percent for the lowest.

NET WORTH BY AGE

The age of the householder has a positive relationship with household net worth up to age 74. In 2000, median household net worth for all households with householders under the age of 35 was $7,240, significantly lower than the median of $120,000 for householders aged 70 to 74. Table F and Figure 5 show the median declined for householders 75 and older to $100,100.

Householders under 35 years old tend to have more income, but lower net worth, than householders 65 years and older: about 58.6 percent of the youngest

Table E.
Distribution of Asset Values for Households and the Distribution of Net Worth by Monthly Household Income Quintile for Selected Asset Types: 1998 and 2000

(Excludes residents of group quarters)

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 motor vehicles	Equity in own business or profession	IRA or Keogh accounts	401K and thrift saving plans
Percent Distribution of Asset Value								
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
1998								
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Lowest quintile	5.5	1.5	3.6	11.1	8.6	6.8	5.4	1.9
Second quintile	12.8	4.3	5.9	14.9	14.5	8.4	13.6	3.2
Third quintile	18.3	10.3	11.3	18.7	19.4	11.2	14.9	9.7
Fourth quintile	21.7	16.7	20.8	21.1	23.8	20.0	14.6	20
Highest quintile	41.6	67.2	58.3	34.2	33.7	53.0	46.5	65.1
Percent Distribution of Net Worth								
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
1998								
Total	**8.1**	**2.7**	**18.8**	**33.7**	**4.4**	**7.3**	**7.9**	**8.6**
Lowest quintile	6.7	0.6	10.3	56.1	5.7	7.5	6.3	2.4
Second quintile	9.8	1.1	10.4	47.4	6.1	5.8	10.1	2.6
Third quintile	9.9	1.8	14.3	42.1	5.8	5.5	7.9	5.6
Fourth quintile	8.5	2.2	19.1	34.7	5.2	7.2	7.6	8.4
Highest quintile	7.1	3.8	23.1	24.3	3.2	8.2	7.7	11.8

[1]Quintile upper limits for 2000 were: lowest quintile - $1,304; second quintile - $2,426; third quintile - $3,813; fourth quintile - $5,987. Upper limits for 1998 were: lowest quintile - $1,194; second quintile - $2,006; third quintile - $3,463; fourth quintile - $5,417.

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

households had average monthly incomes in the top three income quintiles (above $2,426) in 2000, while only 34.9 percent of the oldest households were in these quintiles. However, the youngest households had a median net worth of only $7,240 in 2000, compared with $108,885 for those with a householder 65 and older.

Median net worth excluding home equity is another important indicator of well-being for households, especially for households with retired householders. In 2000, this measure increased with age of householder for all age groups under 65. The 55-to-64 group's median, $32,304, was nearly 10 times that of the under-35 group, $3,300, and significantly higher than the 75-and-over group's $19,025.

The major type of asset for all age groups was home equity, accounting for about a third or more of total net worth (Table G). This was followed by stocks and bonds and mutual funds. The proportion of net worth held as equity in motor vehicles and in business equity declined steadily as householders aged: in 2000, motor vehicles fell from 9.5 percent of net worth for the youngest group to 3.0 percent for the oldest, and business

Table F.

Median Net Worth and Median Net Worth Excluding Home Equity of Households by Age of Householder and Monthly Household Income Quintile: 1998 and 2000

(Excludes residents of group quarters. Number of households in thousands)

Monthly household income quintile	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
2000 Monthly Household Income Quintile[1]									
All households (thousands)	104,644	22,362	24,717	21,347	14,139	22,079	5,634	5,710	10,735
Median net worth	55,000	7,240	44,275	83,150	112,048	108,885	114,050	120,000	100,100
Excluding home equity	13,473	3,300	13,100	23,525	32,304	23,369	27,588	31,400	19,025
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	7,396	500	1,510	5,896	21,000	44,346	32,000	43,230	46,266
Excluding home equity	1,025	0	500	600	1,500	3,500	2,900	2,885	4,000
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	26,950	2,950	7,556	24,750	51,875	114,425	104,800	113,893	116,166
Excluding home equity	6,349	1,500	2,500	4,750	10,150	29,532	22,332	31,513	31,269
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	44,400	8,238	30,703	56,642	100,700	192,500	155,319	201,563	226,263
Excluding home equity	12,333	3,550	8,500	12,725	29,210	78,213	52,550	84,900	100,900
Fourth quintile:									
Households (thousands)	20,935	4,609	6,010	5,096	2,886	2,334	855	640	839
Median net worth	78,001	19,664	64,450	101,301	157,775	284,565	222,918	312,877	322,785
Excluding home equity	26,998	8,775	24,647	35,098	64,750	124,733	93,950	148,792	134,123
Fifth quintile:									
Households (thousands)	20,923	3,219	6,395	6,435	3,311	1,563	610	430	522
Median net worth	185,500	57,254	149,887	225,399	316,542	499,015	449,800	452,992	569,000
Excluding home equity	98,510	29,850	82,235	123,621	182,430	328,432	237,925	272,681	414,369
1998 Monthly Household Income Quintile[1] (2000 dollars)									
All households (thousands)	101,782	23,293	24,224	19,598	12,983	21,684	5,886	5,707	10,091
Median net worth	49,932	6,594	38,226	75,513	103,332	105,413	125,745	111,385	97,206
Excluding home equity	12,145	3,519	11,889	20,927	28,649	22,794	32,814	24,208	19,034
Lowest quintile:									
Households (thousands)	20,385	4,673	3,255	2,635	2,388	7,435	1,477	1,761	4,197
Median net worth	6,073	104	1,043	6,073	17,205	42,732	35,316	38,918	46,713
Excluding home equity	938	0	386	726	1,408	3,693	2,190	3,493	4,692
Second quintile:									
Households (thousands)	20,347	5,154	3,865	2,575	2,413	6,341	1,500	1,727	3,114
Median net worth	24,841	2,763	9,097	23,435	55,655	104,661	103,644	100,958	106,560
Excluding home equity	6,177	1,303	3,024	5,020	8,621	26,303	28,253	25,126	27,051
Third quintile:									
Households (thousands)	20,330	5,312	4,938	3,561	2,583	3,937	1,364	1,119	1,454
Median net worth	40,828	7,755	23,899	52,239	88,543	172,462	157,722	168,229	194,840
Excluding home equity	11,828	4,275	8,368	11,918	25,423	64,221	55,674	55,465	85,866
Fourth quintile:									
Households (thousands)	20,343	4,885	6,005	4,446	2,668	2,340	884	652	803
Median net worth	68,297	22,292	52,554	80,405	153,606	255,457	237,762	255,119	273,400
Excluding home equity	22,909	9,989	20,616	23,924	57,322	115,894	94,964	115,791	135,218
Fifth quintile:									
Households (thousands)	20,328	3,269	6,161	6,378	2,932	1,594	646	440	509
Median net worth	161,174	53,120	132,002	201,371	281,656	471,672	367,605	494,099	548,456
Excluding home equity	82,947	27,345	74,039	103,492	156,412	312,879	216,439	341,561	405,350

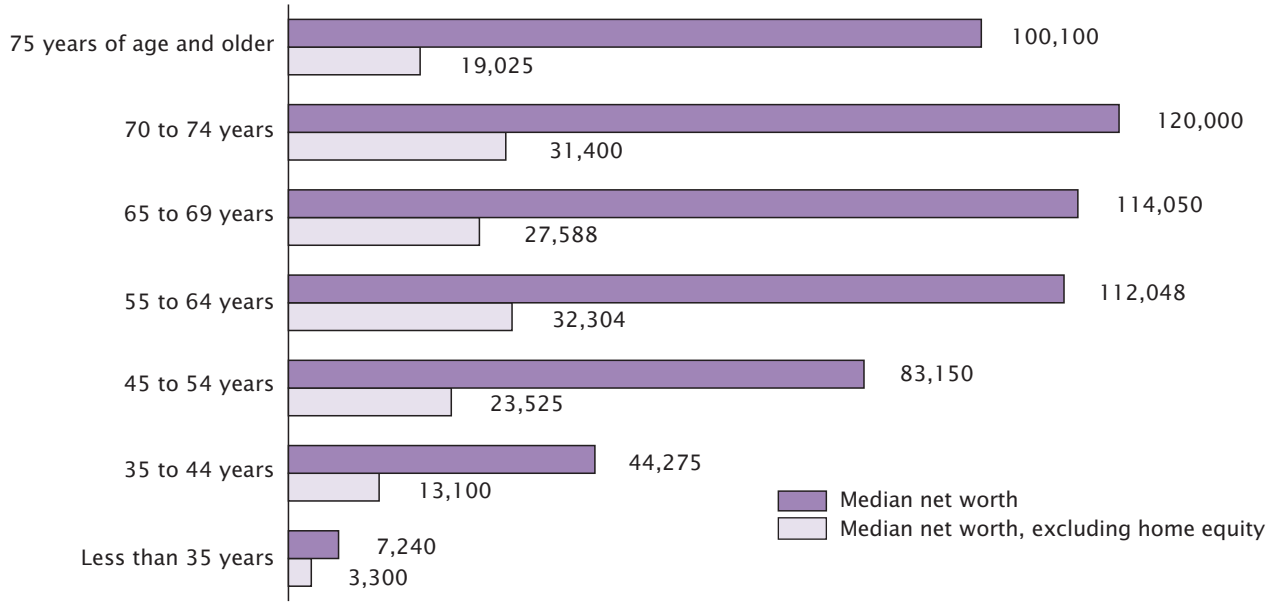
[1]Quintile upper limits for 2000 were: lowest quintile - $1,304; second quintile - $2,426; third quintile - $3,813; fourth quintile - $5,988. Upper limits for 1998 were: lowest quintile - $1,194; second quintile - $2,006; third quintile - $3,463; fourth quintile - $5,417.

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

Figure 5.

Median Net Worth and Median Net Worth Excluding Home Equity of Households by Age of Householder: 2000

(2000 dollars)



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

equity similarly declined from 14.0 percent to 2.4 percent.

As expected, householders 55 to 64 years old had the highest proportion of their net worth in IRA and Keogh accounts (12.5 percent), while other age groups had proportions that ranged from 4.1 percent (less than 35 years old) to about 11.5 percent (65 years and over). For all ages, about 9.7 percent of net worth was in 401K and thrift savings plans, but this proportion ranged from18.2 percent for householders 35 to 44, who are generally employed, to only 2.7 percent for those 65 years and over, who were most likely retired and beginning withdrawals from their pension savings.[14]

NET WORTH BY RACE AND HISPANIC ORIGIN

Like income and age, the race and Hispanic origin of the householder and the level of household net worth show a significant relationship. In 2000, households with non-Hispanic White householders had a median net worth of $79,400; those with Black householders, $7,500 ; and those with Hispanic householders, $9,750 (Figure 6).[15] Non-Hispanic White households in every income quintile had significantly higher levels of median net worth than their Black and Hispanic counterparts (Table H). In the lowest quintile in 2000, the median net worth for non-Hispanic White households was $24,000; for Black households, $57; and for Hispanic households, $500; the corresponding figures for the highest quintile were $208,023, $65,141, and $73,032, respectively.

Between 1998 and 2000, the median net worth of non-Hispanic White householders jumped by over $8,000, while the median net worth of Black and Hispanic householders also experienced significant increases.

As Table I illustrates, Black households and Hispanic households held a significantly higher proportion of their net worth in durable goods, such as housing and motor vehicles, than their non-Hispanic White counterparts. But, Black and Hispanic households had a significantly lower proportion in financial assets such as stocks and mutual fund shares, and in interest-earning assets at financial institutions, compared with non-Hispanic White households. The percentage of net worth in retirement accounts (IRA, Keogh accounts, 401K, thrift

[14] For a further discussion of the relationship between employment and retirement income see Patrick Purcell, "Retirement Savings and Household Wealth in 2000: Analysis of Census Bureau Data," Congressional Research Service Report for Congress, Order Code RL30922, updated December 12, 2002.

[15] The median net worth difference between Hispanic and Black households is not statistically significant.

Table G.
Percent Distribution of Net Worth of Households by Age of Householder and Asset Type: 1998 and 2000

(Excludes residents of group quarters)

Asset type	2000						1998					
	Total	Less than 35 years	35 to 44 years	45 to 54 years	55 to 64 years	65 years and over	Total	Less than 35 years	35 to 44 years	45 to 54 years	55 to 64 years	65 years and over
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	8.9	10.8	6.8	6.4	7.0	10.9	8.1	8.0	6.7	6.4	6.9	10.9
Other interest-earning assets	1.7	0.3	0.9	1.4	1.7	4.2	2.7	1.1	1.1	1.8	2.1	4.9
Checking accounts	0.3	0.9	0.4	0.4	0.3	0.4	0.4	1.3	0.4	0.4	0.3	0.4
Stocks and mutual fund shares	15.6	13.7	19.1	16.9	17.2	22.1	18.8	14.2	19.5	17.1	17.2	21.6
Own home	32.3	35.6	39.8	37.7	35.1	49.8	33.7	39.0	32.9	31.1	31.4	36.6
Rental property	3.7	2.6	3.2	4.0	5.2	5.1	4.5	3.1	4.6	3.8	6.6	3.8
Other real estate	3.6	3.2	4.1	4.6	6.1	2.9	3.2	2.6	3.0	3.7	4.1	2.5
Vehicles	3.7	9.5	5.8	4.3	3.5	3.0	4.4	12.8	5.8	4.4	3.3	2.9
Business or profession	7.7	14.0	9.8	8.7	6.3	2.4	7.3	17.0	10.5	9.5	6.7	2.5
U.S. savings bonds	0.5	0.6	0.5	0.4	0.7	0.7	0.6	0.6	0.6	0.5	0.4	0.9
IRA or Keogh accounts	8.6	4.1	8.2	7.6	12.5	11.5	7.9	3.7	5.1	7.3	11.7	8.0
401K and thrift savings plans	9.7	12.6	18.2	16.4	12.4	2.7	8.6	11.5	12.4	14.3	8.2	1.7
Other financial investments [1]	1.6	1.7	1.4	1.6	1.5	2.7	2.6	1.6	2.1	1.6	2.9	3.6
Unsecured liabilities [2]	–3.1	–15.1	–6.0	–3.6	–1.9	–1.0	–3.4	–16.6	–4.8	–4.0	–2.8	–0.6

[1] Includes mortgages held for sale of real esate, 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. The outlier adjustments to the individual assets and not the totals led to columns not summing to 100 percent.

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

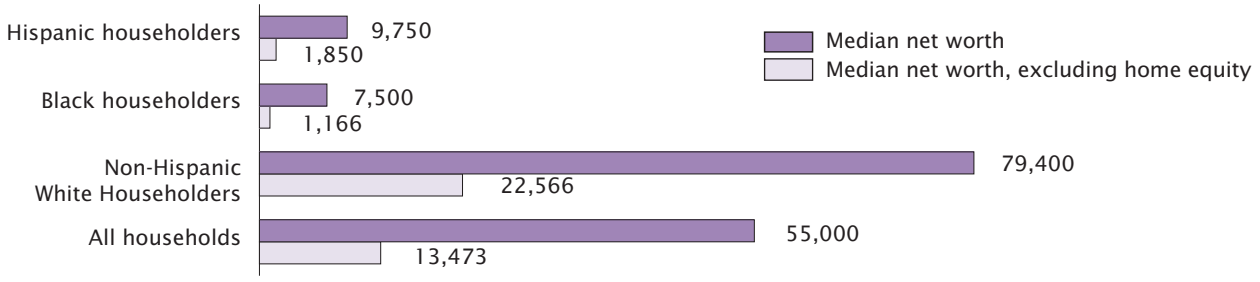
savings plans) was significantly higher for non-Hispanic White households compared with Black and Hispanic households.

NET WORTH BY HOUSEHOLD TYPE

Married-couple households had the largest median net worth in 2000, $91,218 (Figure 7) among householders by type. Households with a male-householder had a median net worth of $24,659, or 27.0 percent of the married-couple figure, while female-householders had $23,028, or 25.2 percent of the married-couple figure.

Table J expands the data shown in Figure 7, and reveals that married-couple households had the largest median net worth figures in both

Figure 6.
Median Net Worth and Median Net Worth Excluding Home Equity of Households by Race and Hispanic Origin of Householder: 2000
(2000 dollars)



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

Table H.
Median Net Worth and Median Net Worth Excluding Home Equity of Households by Monthly Household Income Quintile and Race and Hispanic Origin of Householder: 1998 and 2000

(In 2000 dollars. Excludes residents of group quarters)

Monthly household income quintile[1]	Total		Non-Hispanic White		Black		Hispanic origin [2]	
	2000	1998	2000	1998	2000	1998	2000	1998
All households (thousands)	104,644	101,782	79,562	78,140	12,808	12,156	9,264	8,587
Median measured net worth (dollars)	55,000	49,932	79,400	70,954	7,500	6,200	9,750	7,189
Excluding home equity	13,473	12,440	22,566	20,106	1,166	1,024	1,850	1,823
Net Worth by Income								
Lowest quintile:								
Households (thousands)	20,937	20,385	13,992	13,529	4,007	3,998	2,314	2,316
Median measured net worth (dollars)	7,396	6,073	24,000	18,979	57	(NA)	500	521
Excluding home equity	1,025	938	3,466	2,945	(NA)	(NA)	50	21
Second quintile:								
Households (thousands)	20,937	20,347	15,274	15,010	2,943	2,771	2,296	2,091
Median measured net worth (dollars)	26,950	24,841	48,500	44,373	5,275	5,709	5,670	3,493
Excluding home equity	6,349	6,177	10,825	9,489	1,125	1,043	1,500	1,044
Third quintile:								
Households (thousands)	20,913	20,344	16,054	15,871	2,436	2,250	1,905	1,779
Median measured net worth (dollars)	44,400	40,828	59,500	56,460	11,500	11,816	11,200	8,546
Excluding home equity	12,333	11,828	17,400	16,878	3,350	3,088	2,650	4,171
Fourth quintile:								
Households (thousands)	20,935	20,351	16,724	16,303	1,917	1,935	1,669	1,504
Median measured net worth (dollars)	78,001	68,297	92,842	81,823	32,600	24,037	36,225	24,536
Excluding home equity	26,998	22,909	34,435	29,920	8,625	7,664	10,543	8,349
Highest quintile:								
Households (thousands)	20,923	20,354	17,518	17,420	1,505	1,201	1,080	896
Median measured net worth (dollars)	185,500	161,174	208,023	181,016	65,141	57,736	73,032	77,498
Excluding home equity	98,510	82,947	115,658	94,656	20,975	15,721	25,639	24,483

NA Not available.

[1]Quintile upper limits for 2000 were: lowest quintile - $1,304; second quintile - $2,426; third quintile - $3,813; fourth quintile - $5,988. Upper limits for 1998 were: lowest quintile - $1,194; second quintile - $2,006; third quintile - $3,463; fourth quintile - $5,417.

[2]People of Hispanic origin may be of any race.

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

1998 and 2000 in all age categories. Married-couple households had median net worth that was generally two or three times as large as for other types of households. The net worth for female householders trailed that for male householders in the two youngest age categories, but was not significantly different in the two oldest.

NET WORTH BY EMPLOYMENT STATUS

The median net worth in both 2000 and 1998 varied by the employment status of the householder. The median for all households with householders under 65 years of age in 2000 was $41,692 ($35,890 in 1998) (Table K). For householders who had a job for the entire 4 months covered in the SIPP survey, the median was $51,050 ($45,922 in 1998). The median for those who did not have a job during this time, but who looked for work or were on layoff, was $3,250 which was not significantly different from 1998 ($1,043). 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 $28,543 ($20,562 in 1998).

Table I.

Percentage Distribution of Net Worth of Households by Asset Type by Race and Hispanic Origin of Householder: 1998 and 2000

(Excludes residents of group quarters)

Asset type	Total		Non-Hispanic White		Black		Hispanic origin[1]	
	2000	1998	2000	1998	2000	1998	2000	1998
Total net worth (percent)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Interest-earning assets at financial institutions	8.9	8.1	9.2	8.2	6.6	5.9	6.7	5.9
Other interest-earning assets	1.7	2.7	1.8	2.8	0.8	0.8	0.5	0.9
Regular checking accounts	0.3	0.4	0.3	0.4	0.5	0.8	0.9	0.9
Stocks and mututal fund shares	15.6	18.8	16.2	19.6	4.0	6.3	8.3	8.3
Own home	32.3	33.7	31.0	32.6	61.8	59.2	50.8	48.0
Rental property	3.7	4.5	3.6	4.5	5.6	2.6	4.7	5.1
Other real estate	3.6	3.2	3.7	3.2	2.9	2.7	4.3	4.1
Vehicles	3.7	4.4	3.5	4.2	9.7	9.3	5.9	8.0
Business or profession	7.7	7.3	7.6	6.9	5.2	8.1	10.5	13.0
U.S. savings bonds	0.5	0.6	0.5	0.6	0.3	0.4	0.3	0.2
IRA or Keogh accounts	8.6	7.9	9.0	8.2	2.3	2.2	5.3	4.6
401K and thrift savings plans	9.7	8.6	9.6	8.5	6.7	10.6	9.9	8.0
Other financial investments	1.6	2.6	1.6	2.7	0.9	1.5	2.7	2.5
Unsecured liabilities[2]	–3.0	–3.4	–2.6	–3.1	–11.0	–10.6	–8.7	–9.4

[1]People of Hispanic origin may be of any race.

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

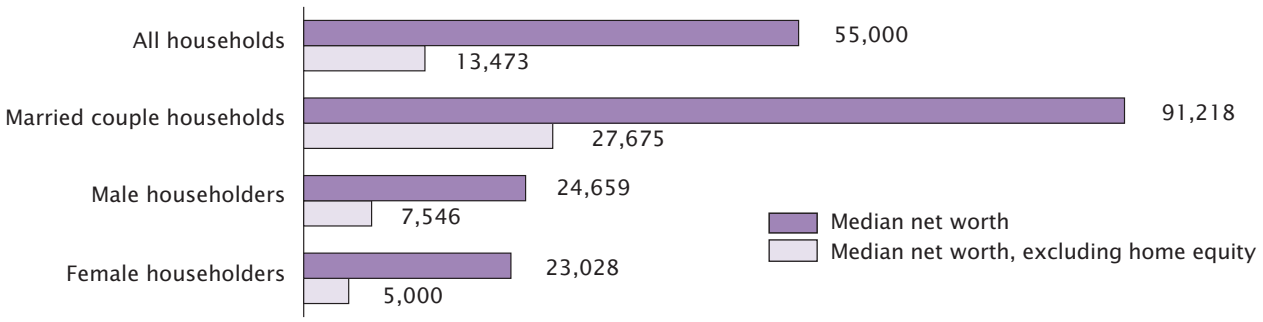
Note: Individual outliers that highly influenced the mean value for asset categories were topcoded or excluded. The mean is used to calculate the percent distribution. The outlier adjustments to the individual assets and not the totals led to columns not summing to 100 percent.

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

Figure 7.

Median Net Worth and Median Net Worth Excluding Home Equity of Households by Type of Householder: 2000

(2000 dollars)



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

Table J.
Median Net Worth and Median Net Worth Excluding Home Equity of Household by Type of Household and Age of Householder: 1998 and 2000

(Excludes residents of group quarters. Number of households in thousands)

Type of household by age of householder	2000			1998		
		Median net worth			Median net worth (In 2000 dollars)	
	Number of households	Total	Excluding equity in own home	Number of households	Total	Excluding equity in own home
Married-couple households	56,700	91,218	27,675	55,432	82,129	24,373
Less than 35 years	10,992	17,350	5,850	11,713	16,036	6,572
35 to 54 years	28,057	93,225	31,780	26,797	83,651	28,230
55 to 64 years	8,484	172,425	73,962	7,867	152,752	63,586
65 years and over	9,166	173,950	57,586	9,055	164,747	55,176
Male householders	18,146	24,659	7,546	17,123	19,681	6,371
Less than 35 years	5,219	6,250	4,125	5,174	5,835	3,754
35 to 54 years	7,640	31,166	9,023	7,087	21,040	6,731
55 to 64 years	2,010	48,700	10,400	1,741	45,019	9,746
65 years and over	3,276	84,000	15,375	3,121	73,848	19,304
Female householders	29,798	23,028	5,000	29,227	19,740	4,591
Less than 35 years	6,152	1,500	750	6,406	621	250
35 to 54 years	10,366	16,850	4,350	9,938	14,363	3,995
55 to 64 years	3,644	50,380	8,700	3,375	49,136	6,569
65 years and over	9,637	76,000	10,475	9,508	75,127	10,826

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

Table K.
Median Net Worth of Households by the Labor Force Activity During the 4 Month Reference Period of Householders Under 65 Years of Age: 1998 and 2000

(Excludes residents of group quarters. Number of households in thousands)

Labor force activity of householders under 65 years of age	2000		1998	
	Number of households	Median measured net worth	Number of households	Median measured net worth (2000 dollars)
Total	**82,564**	**41,692**	**80,099**	**35,890**
With labor force activity in the past 4 months	70,175	44,320	67,694	39,075
With a job during the entire 4 months	62,781	51,050	60,196	45,922
With a job during some of the 4 months	6,735	6,166	6,721	5,870
No job during the entire 4 months, spent time looking or on layoff	660	3,250	777	1,043
No labor force activity during the past 4 months	11,912	28,543	11,862	20,562

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

USER COMMENTS

The Census Bureau welcomes the comments and advice of data users. If you have suggestions or comments, please write to:

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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. 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. The Census Bureau employs quality control procedures throughout the production process including the overall design of surveys, the wording of questions, review of the work of interviewers and coders, and statistical review of reports to minimize these errors.

The Survey of Income and Program Participation 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 the 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.

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&a96_040501.pdf* or contact Reid Rottach of the Census Bureau Demographic Statistical Methods Division on the Internet at *reid.a.rottach@census.gov*

For further information on statistical standards and the computation and use of standard errors, contact Charles D. Sissel, Demographic Statistical Methods Division, at 301-763-5922, *charles.d.sissel@census.gov*

Appendix A.

COMPARISONS OF SURVEY OF INCOME AND PROGRAM PARTICIPATION DATA WITH DATA FROM THE SURVEY OF CONSUMER FINANCES

This appendix examines data quality in SIPP by comparing wealth data from the Survey of Income and Program Participation (SIPP) with data from the 1998 Survey of Consumer Finances (SCF). For any survey, an important determinant of data quality is the accuracy of reported and imputed amounts. Response errors in wealth data, for example, can result from a variety of factors, including random response error, misreporting of or failure to report asset ownership, and misreporting of asset and liability values. The extent of survey response error can be measured by comparing survey estimates with independently derived estimates, which is what is attempted here for SIPP wealth data. A caveat applicable to this analysis is that the accuracy of such measurements is often impaired by differences between surveys in areas such as population coverage, reference periods, collection and processing methods, and data collection and tabulation categories.

The SIPP-SCF comparisons in this appendix were made with previously-published data that were not specifically tabulated for the purpose of making such comparisons.[1] In particular, the existing tabulation categories restrict the number and kinds of comparisons that could be made for particular types of assets. The asset types for which data were tabulated in either survey often had no exact counterpart in the other; even groupings of asset categories in the one were often only approximate matches for groupings of the other. Table A-1 presents in columns 1 and 2 the asset categories used in the two surveys, and in columns 3 and 4 offers more complete explanations of the asset categories to assist the reader. The reader is cautioned that the individual mappings between the SIPP and SCF categories vary in the degree of comparability.

The SCF is a triennial survey of U.S. families sponsored by the Board of Governors of the Federal Reserve System with the cooperation of the U.S. Department of the Treasury. The survey is designed to provide detailed information for U.S. families on their balance sheets and their use of financial services, as well as on their pensions, labor force participation, and demographic characteristics at the time of the interview. For a detailed description of the survey, see *www.federalreserve.gov/pubs/oss/oss2/98/scf98home.html.*

The 1998 SCF data in this appendix were derived from the published figures in the paper "Recent Changes in U.S. Family Finances: Results from the 1998 Survey of Consumer Finances," by Arthur B. Kennickell, Martha Starr-McCluer and Brian J. Surette at the Web site: *www.federalreserve.gov/pubs/oss/oss2/98/bull0100.pdf*. The data were collected by the National Opinion Research Center at the University of Chicago between July and December of 1998. They represent the wealth holdings of U.S. "families" in the latter half of 1998. A family, or primary economic unit, as defined by the SCF, is the economically dominant single individual or couple in the household and all other persons in the household who are financially dependent on that person or those persons. The SCF definition of family includes people who live in group quarters, such as boarding houses, college dormitories, and facilities shared by members of a religious community.

The SIPP data in this appendix were extracted from the tables in the body of this present report, as well as from the detailed tables for this report located at *www.sipp.census.gov/sipp/pubsmain.htm.* They were collected in wave 6 of the 1996 panel, and represent the wealth holdings of the households in the U.S. civilian noninstitutional population in the period of December 1997 through March 1998. The SIPP defines a household as all the people who occupy a housing unit; in a further departure from the SCF definition of "family," the SIPP definition of "household" does not include people living in group quarters.

Table A-2 compares the SIPP and SCF estimates of median net worth by selected household characteristics. The SIPP estimate for households in general, $47,900, is about 67 percent of the SCF estimate of $71,600. The comparisons for particular kinds of households show similar shortfalls in the SIPP. Differences in survey universes and coverage may be factors in some of these differences. The SCF is predominately intended to measure family wealth and is more comprehensive than SIPP in its coverage of asset holdings; unlike the SCF, SIPP does not measure equities in pension plans, cash surrender value of life insurance policies,

[1] This appendix represents a first attempt, and not an in-depth effort, to benchmark the SIPP data against an independent source. Planned future research will attempt to retabulate the data from the original SIPP and SCF datasets for comparable universes for the most detailed asset-type categories in each.

and value of household furnishings such as antiques, art, and jewelry. Also, the 1998 SCF included a special oversample of relatively wealthy individuals; the SIPP sample, in contrast, oversampled the low- income population for the 1996 panel rather than the wealthy.

The groupings developed in Table A-1 are used in Tables A-3 and A-4 to compare asset ownership rates and median values of holdings for selected asset types. The following examples show how to read these tables:

Example 1 – Table A-3, comparison of row 3 under "Financial assets":

Table A-1 shows that the the SIPP category "U.S. savings bonds" is most comparable with the SCF category called "Savings bonds." So, in Table A-3 , the asset ownership rate in SIPP for "U.S. savings bonds," 16.3 percent, is shown in column 3, next to the corresponding rate of 19.3 percent for the SCF category "Savings bonds."

Example 2 – Table A-3, comparison of row 1 under "Financial assets":

Table A-1 shows that the SCF categorizes as "transaction accounts," the kinds of detailed asset types most closely found in the two SIPP categories, "interest-earning assets at financial institutions" and "checking accounts." So, in Table A-3 , the asset ownership rates of these two SIPP categories, 63.9 percent and 38.9 percent, respectively, are shown in column 3, next to the corresponding rate of 90.5 percent for SCF "transactions accounts." The SIPP percentages are shown separately because they were taken from published figures in which the same households may, but do not necessarily need to be, represented in both categories; the two figures therefore cannot be summed without the risk of double-counting. Such mappings are made in the table merely to give the reader an idea of the possible range of the SIPP (or SCF) data.

The SIPP and the SCF compare reasonably well in most of the dimensions shown in Tables A-3 and A-4. The variation in comparability of the SIPP-SCF mappings discussed above is probably reflected, however, in these tables. For example, there is more consistency for the home-ownership ("own home—primary residence") and vehicles categories than for the real estate ("rental property— other residential property") category. The Table A-3 figures for the former categories (own home: SIPP— 66.4 percent; primary residence: SCF— 66.2 percent; vehicles: SIPP — 85.3 percent; SCF — 82.8 percent) compare very favorably, whereas the comparison for rental property, SIPP— 5.4 percent; and other residential property, SCF — 12.8 percent, reflects considerable variation in detailed components. The glaring difference in Table A-4 in median value of holdings between "SIPP: business or profession" (median : $7,000) and "SCF: business equity"(median: $60,000) is difficult to explain, although some of it is probably related to conceptual consistency.

As additional research into the differences is completed, it will be published as SIPP working papers or with the next report in this series.

Table A-1.
Detailed Components of Corresponding Groupings of Asset Types: 1998

Corresponding asset-type groupings		Detailed components	
1998 SIPP	1998 SCF	1998 SIPP	1998 SCF
Financial Assets	**Financial Assets**		
Interest-earning assets at financial institutions	Transaction accounts	Interest-earning assets at financial institutions include passbook savings accounts, money market deposit accounts, certificate of deposit, and interest-earning checking accounts.	Checking, savings, and money market deposit accounts, money market mutual funds and call accounts at brokerages.
Regular checking accounts		Checking accounts include non-interest earning checking accounts.	
Certificates of deposit	Certificates of deposit	Certificates of deposit or other savings certificates.	Certificates of deposit
Stocks and mutual funds	Stocks	Equity in stocks, including both common and preferred stock in private corporations. Does not include shares of stock in any closely-held corporations. Equity in mutual fund shares, including shares in any mutual fund which invests in stocks.	Stocks other than those held through mutual funds, retirement accounts, or other managed assets.
	Mutual funds		Mutual funds excluding money market funds or funds held through retirement accounts or other managed assets. Mutual fund in the SCF also include bond and combo funds.
U.S. savings bonds	Savings bonds	Series E or EE U.S. savings bonds.	Savings bonds
IRA or Keogh accounts	Retirement accounts	Individual retirement accounts or Keogh (or H.R. 10) plans.	Includes IRAs, Keogh accounts, and certain employer-sponsored accounts. Includes 401(k) and thrift accounts.
401(k) and thrift savings plans		Includes 401(k) and thrift plans.	
Other interest-earning assets	Bonds	Other interest-earning assets include municipal or corporate bonds and U.S. government securities.	Bonds, excluding savings bonds and bonds held through mutual funds, retirement accounts, and other managed assets.
U.S. government securities		U.S. government securities include Treasury bills, Treasury notes, and Treasury bonds. Also includes Series H and HH U.S. savings bonds. Also includes credit instruments or agencies such as Fannie Mae.	
Municipal and corporate bonds		Municipal or corporate bonds include marketable securities (other than stocks), such as bills, certificates, notes, bonds, or debentures issued by state or local governments or domestic corporations.	
(NA)	Life insurance	Not collected in SIPP.	Cash value life insurance.
Other financial investments	Other managed accounts	Other financial investments include mortgages held for sale of real estate, amount due from sale of business or property, and other financial assets such as investments in a noncorporate business venture managed by others (e.g. a limited partnership), investments in a corporation, and other investments not reported elsewhere (e.g. part ownership of a race horse).	Managed assets include personal annuities, trusts with an equity interest, and managed investment accounts.
	Other		Includes a heterogeneous category, including oil and gas leases, future contracts, royalties, proceeds from lawsuits, or estates in settlements and loans made to others.
Nonfinancial Assets	**Nonfinancial Assets**		
Own home	Primary residence	Equity in primary home, owned or being bought by someone in household.	Home ownership, primary place of residence.
Rental property	Other residential property	Equity in rental property includes residential, commercial, industrial, and/or land rental property as well as equipment which is rented out, such as tractors, computers, etc.	Includes second home, timeshares, one- to four-family rental properties, and other types of residential rental property. Includes mortgages owed to the household and vacation homes.

Table A-1.
Detailed Components of Corresponding Groupings of Asset Types: 1998—Con.

Corresponding asset-type groupings		Detailed components	
1998 SIPP	1998 SCF	1998 SIPP	1998 SCF
Other real estate	Equity in nonresidential property	Equity in other real estate includes vacation homes and land holdings.	Includes commercial properties, rental properties with five or more units, farmland, undeveloped land and all other types of nonresidential real estate (except property owned through a business).
Vehicles	Vehicles	Equity in vehicles include cars, trucks, vans, motorcycles, boats, and RVs. Does not include leased vehicles or company cars.	Includes automobiles, vans, trucks, SUVs, motorcycles, airplanes, and boats that are used for personal use. Does not include leased vehicles or business-owned vehicles used for personal use.
Business or profession	Business equity	Equity in one's own business or profession, excluding investments in a noncorporate business venture managed by others (e.g. a limited partnership), investments in a corporation.	Includes sole proprietorships, limited partnerships, subchapter S corporations, other types of corporations that are not publicly traded and other types of private businesses. Also includes nonactively managed business interests.
(NA)	Other	Not collected in SIPP.	A broad category, including artwork, jewelry, precious metals, and antiques.

Source: Survey of Income and Program Participation, 1996 panel and 1998 Survey of Consumer Finances.

Table A-2.
Median Net Worth by Household Characteristics: 1998
(In thousands of dollars)

Household characteristic	1998 SIPP		1998 SCF	
	Estimate	Standard Error	Estimate	Standard Error
Total households	**47.9**	**0.50**	**71.6**	**4.1**
Age of Householder				
Less than 35 years	6.3	0.23	9.0	(NA)
35 to 44 years	36.7	0.79	63.4	(NA)
45 to 54 years	72.4	1.66	105.5	(NA)
55 to 64 years	99.1	2.71	127.5	(NA)
65 years and over, total	101.1	1.89	(NA)	(NA)
65 to 74 years	(NA)	(NA)	146.5	(NA)
75 years and over	93.2	2.48	125.6	(NA)
Education of Householder				
No high school diploma	15.6	0.39	20.9	(NA)
High school diploma	41.5	0.79	53.8	(NA)
Some college	40.7	1.01	73.9	(NA)
Associate's degree	52.3	1.66	(NA)	(NA)
Bachelor's degree or higher	111.3	2.22	146.4	(NA)
Race and Hispanic Origin of Householder				
White, not of Hispanic origin	68.0	0.78	94.9	(NA)
Region				
Northeast	63.0	1.52	94.2	(NA)
Midwest	59.6	1.23	80.3	(NA)
South	37.7	0.67	61.3	(NA)
West	43.2	1.00	61.3	(NA)
Housing Tenure				
Owner	97.2	0.92	132.1	(NA)
Renter	1.4	0.08	4.2	(NA)

NA Not available.

Note: Standard errors are shown when available.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 panel and 1998 Survey of Consumer Finances.

Table A-3.
Asset Ownership Rates by Asset Type: 1998

(Percentage of total households who hold the asset type)

SIPP category	Corresponding SCF category	1998 SIPP estimate	1998 SCF estimate
Financial assets:	**Financial assets:**		
Interest-earning assets at financial institutions	Transaction accounts	63.9	90.5
Regular checking accounts		38.9	(NA)
Stocks and mutual funds	Stocks	27.1	19.2
	Mutual funds	(NA)	16.5
U.S. savings bonds	Savings bonds	16.3	19.3
IRA or Keogh accounts	Retirement accounts	21.3	48.8
401K and thrift savings plans		26.8	(NA)
Other interest-earning assets	Bonds	3.9	3.0
Other financial investments	Other managed accounts	4.7	5.9
	Other	(NA)	9.4
Nonfinancial assets:	**Nonfinancial assets:**		
Own home	Primary residence	66.4	66.2
Rental property	Other residential property	5.4	12.8
Other real estate	Equity in nonresidential property	6.5	8.6
Vehicles	Vehicles	85.3	82.8
Business or profession	Business equity	11.5	11.5

NA Not applicable as a separate category for survey.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 panel and 1998 Survey of Consumer Finances.

Table A-4.
Median Value of Holdings by Selected Asset Type: 1998

(In thousands of dollars)

SIPP category	Corresponding SCF category	1998 SIPP		1998 SCF estimate
		Estimate	Standard error	
Financial assets:	**Financial assets:**			
Interest-earning assets at financial institutions	Transaction accounts	3.7	0.04	3.1
Other interest-earning assets	Bonds	30.0	1.01	44.8
U.S. savings bonds	Savings bonds	0.8	0.02	1.0
Stocks and mutual fund shares	Stocks	16.8	0.34	17.5
	Mutual funds	(NA)	(NA)	25.0
Other financial investments	Other managed accounts	23.4	1.03	31.5
	Other	(NA)	(NA)	3.0
Nonfinancial assets:	**Nonfinancial assets:**			
Own home	Primary residence	53.0	0.45	57.0
Rental property	Other residential property	57.0	1.94	65.0
Other real estate	Equity in nonresidential property	30.0	0.98	38.0
Vehicles	Vehicles	5.8	0.05	10.8
Business or profession	Business equity	7.0	0.43	60.0

NA Not applicable as a separate category for survey.

Note: Standard errors are shown when available.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 panel and 1998 Survey of Consumer Finances.

Appendix B.

CHANGES IN MEDIAN ESTIMATION FROM PRE-1995 REPORTS

This report uses an estimation technique for the median that differs from the one used for the pre-1995 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 then 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 the following Web address: *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 for the "traditional" median estimate produces much smaller standard errors that are both robust and efficient (see Rousseeuw, Peter J. and Christopher Croux, 1993, "Alternatives to Median Absolute Deviation," Journal of the American Statistical Association. 88:1273-83). 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 go to *www.sipp.census.gov/sipp/methmain.htm).*

Appendix C.

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 1998 dollar values to constant 2000 levels. The adjustment factor was calculated by taking 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) and dividing this average by the average of the 1998 CPI-U-RS values for the reference period for the SIPP 1998 data (November 1997, December 1997, January 1998 and February 1998). The CPI-U-RS values were obtained from *www.bls.gov/cpi/cpiurstx.htm.* The resulting adjustment factor for 1998 was 245.9/235.825=1.0427.

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