SPECIAL REPORT

TD Economics

February 4, 2014

AMERICANS FACE TIN-PLATED GOLDEN YEARS

RETIREMENT SAVINGS NEED TO RISE TO SUSTAIN LIVING STANDARDS

Highlights

- There is reason to be concerned over the readiness of workers for retirement. Although two-thirds of workers aged 25 to 54 are offered a workplace retirement plan, only 53% participate in these plans.
- Workers nearing retirement (aged 55-65) have low retirement account balances. For those earning less than the median income, the average balance is only $33,321. Including assets which can be monetized in retirement does brighten the picture slightly, with average net assets rising to $110,316.
- Nonetheless, the median near-retiree has a $142,000 shortfall relative to the amount needed to produce an annuity equal to a 70% replacement-income in retirement, and time is running short for this group.
- Younger workers should learn from those who have gone before them. A comfortable retirement is certainly not out of reach, but does require higher and deliberate savings. Using a 5% rate of return on assets, the median 30-year old starting off with little assets will need to save roughly 8-9% of pre-tax income – nearly double the current national rate.

The question of whether Americans are ready for retirement is becoming an increasingly pressing one, as the baby boomer bulge pushes closer to that goal. For more than a decade, relying on wealth accumulation to build a retirement nest egg has been a challenge. The threefold rise in equity prices over the 1990s was certainly not repeated in the years that followed. Between 2000 and 2013, the S&P produced an average annual gain of only 1.8%. This is well below the average 2.4% growth rate of inflation. Although longer term bond yields outstripped inflation by roughly 150 basis points, the net effect of the two asset classes has caused many to refer to the recent period as one of wealth preservation, rather than accumulation. The performance of financial markets emphasizes the need for workers to actively save out of income and to take advantage of every retirement savings program available to them.

Digging into retirement account balances, as well as other asset holdings, it becomes clear that a retirement savings gap exists for workers aged 55-65. With time running short, these near-retirees will need to ramp up savings, work longer or lower their expectations on future living standards. Using a 5% rate of return assumption on a balanced portfolio, the median income earner near retirement requires an ad-

Table 1. Pre-tax Savings Rate required* for 30 year old workers, under different return on asset scenarios

Personal Income Groups	Average Income ($)	Savings Rate Required, assuming 3.5% return	Savings Rate Required, assuming 5% return	Savings Rate Required, assuming 7% return
Bottom ($17064-$23000)	19,953	6.4%	4.4%	2.6%
2 ($23001-$28800)	25,501	9.0%	6.1%	3.6%
3 ($28801-$34000)	30,890	10.6%	7.2%	4.2%
4 ($34001-$40000)	36,852	11.8%	8.0%	4.7%
5 ($40001-$48000)	43,191	12.8%	8.7%	5.1%
6 ($48001-$58000)	51,792	13.7%	9.3%	5.4%
7 ($58001-$75000)	65,085	15.4%	10.5%	6.1%
Top (>75000)	108,861	19.5%	13.2%	7.8%

*to ensure an annuity equal to 70% of pre-retirement income in retirement, after taking into account Social Security retirement benefits. Assumes individual begins his career at the age of 30, has no accumulated assets at this moment, and retires at the normal retirement age of 67. Annual income rises at the same pace as the Social Security Administration's National Average Wage Index. Refers to workers with income of $17064 and greater. Source: American Community Survey, Social Security Administration.

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ditional $142,000 in savings, in order to retire at 66 years of age with an annuity equal to 70% of their pre-retirement income. This 70% threshold corresponds to a living standard that generally permits a person to parallel the lifestyle they have become accustomed to during their working years, but it is certainly not a high watermark. This is typically set in the 75-85% range. Less than 70% is also acceptable, as long as individuals are prepared to alter their consumption habits to a greater extent.

The younger generation should take heed from the miscalculations and challenges faced by those who have preceded them. A 30-year old earning the median income, with no current savings, and working continuously until retirement, will need to save roughly 8-9% of their annual pre-tax income to ensure an adequate retirement (See table 1). This is in addition to the implicit savings rate in Social Security. This savings rate may not seem like a tall order, but over the last two decades, the national savings rate has averaged only 4.5% of pre-tax income. So, even those with plenty of years ahead to save need to make the deliberate decision to save beyond what has been the recent experience.

Framework and Methodology

Knowing how much to save for retirement can be a trying exercise. A common method is to determine the amount of income required to enjoy as comfortable a standard of living in retirement as during one's working years. We estimate this using data from the Consumer Expenditure Survey, which suggests a reasonable threshold is an annuity equal to roughly 70% of one's pre-retirement income[1]. This goal should allow you to sustain much of the same spending patterns on discretionary items as in your working years. However, estimates do vary with some experts placing the ratio at a higher 75-85%[2]. This may be a consideration for those with more ambitious retirement plans in mind – i.e. using new-found leisure time to travel more – or for those more cautiously minded – i.e. setting aside a bigger financial cushion in the event of illness or other family considerations, such as an inheritance.

In order to determine the readiness of Americans for retirement, we first laid out a framework to look at near-retirees aged 55 to 65 years of age. Afterwards, we constructed a hypothetical scenario for 30 year olds with little assets, in order to determine what share of their annual income they should save for an adequate retirement. We focused exclusively on workers with income above $17,064. This is because a retirement goal of 70% at this income level or lower would cross the official poverty threshold of $11,945[3]. This makes it not a relevant goal, as these individuals may need to rely on supplemental income from government programs.

To gauge the retirement readiness for those workers with income above $17,064, we broke the dataset into eight incremental income groups, with an equal number of workers in each group. We assume that these individuals worked continuously from the age of 30 until they retire at the age of 66, and that their annual wages rise at the same rate as the Social Security Administration's National Average Wage Index. We took into account future social security income, as well as the average net assets held by each income group. We included equity held in rental properties, but did exclude the equity available in a worker's principal residence. Although people do use their home as a savings vehicle, the need for shelter means that there are limitations in immediately extracting home equity for retirement purposes. In addition, for those aged 65 and above, homeownership rates continue to rise relative to younger cohorts, and come to rest at very high ratios of 80% or greater. This indicates a strong preference to own a home, versus selling it to live off the equity income stream while renting. The high homeownership rates do not preclude this older age cohort from tapping into existing home equity by downsizing, but the timing and net additional savings from this would be difficult to quantify

Table 2. Pension Plan Participation, for Workers Currently Employed*

Age Cohort	Employer sponsored plan available, % of individuals	Currently participating in an employer sponsored plan, % of individuals	Most common reasong for not participating if plan is offered	Those claiming this primary reason, % of individuals	Second most common reason for not participating if plan is offered	Those claiming this secondary reason, % of individuals
25-34	63.5%	45.8%	Can't afford to contribute	27.8%	Haven't worked long enough	22.0%
35-44	65.5%	53.5%	Can't afford to contribute	32.7%	Haven't worked long enough	18.5%
45-54	69.8%	59.2%	Can't afford to contribute	28.1%	Don't work enough per yr	20.5%
55-65	69.0%	58.9%	Don't work enough per yr	25.8%	Can't afford to contribute	22.8%

*excluding those indicating being business owners as a primary form of employment. Source: Survey of Income and Program Participation, 2008 Panel, Wave 11.

Table 3. Share of Workers* with Pension Plans Offered, by Office Size	
Office Size (No. of employees)	25-54 year olds
Less than 10	34.4%
10 to 25	52.2%
26 to 50	66.8%
51 to 100	74.7%
101 to 200	80.9%
201 to 500	84.5%
501 to 1000	86.4%
Greater than 1000	86.7%

*excluding those indicating being business owners as a primary form of employment.
Source: Survey of Income and Program Participation, 2008 Panel, Wave 11.

within the scope of this report.

Finally, we assume a life expectancy of 83 years and a 5% annual rate of return on investments, which is roughly the mid-point of a range we estimated in previous research we conducted on the expected long-run return of a diversified portfolio (for further details, see here).

How do Americans save for retirement?

In order to paint a full picture of retirement income, the starting point needs to be social security. Roughly 96% of the population aged 62 to 84 will receive social security benefits[4]. The remaining 4% of Americans generally have an insufficient earnings history to qualify. These individuals consist primarily of late-arriving immigrants and infrequent workers, who must rely on family or Supplemental Security Income[5].

For 2014, the maximum monthly social security benefit is $2,642/month for someone retiring at the age of 66. However, this presumes that an individual earned the maximum-taxable earnings during his lifetime. Most Americans will receive significantly less – the average social security benefit for retired workers was $1,269 in 2013. Although social security forms an important pillar of retirement planning, it should only be viewed as a supplement and not a sole savings tool. It was never designed to act as a 70% replacement for those with median earnings. Individuals with median earnings who maximize benefits by deferring Social Security until the age of 70 would still see a replacement value equal to roughly 50% of pre-tax income[6]. And, even this may be an overstatement once Medicare premiums are deducted from Social Security benefits. Nevertheless, Social Security does provide a solid platform on which to layer other retirement saving vehicles.

Chief among these are employer-sponsored pensions. The upside of corporate pensions is that they generally provide individuals with greater control to choose from a number of investment plans[7]. The downside is that they are not universally available to workers. And, even when one is available, many workers do not opt into the plans.

Among working-age Americans 25-54, roughly two thirds are offered a retirement plan where they work[8] (See Table 2). For near-retirees (aged 55-65), the proportion is relatively similar at 69%. However, in terms of those who actually participate in an employer-sponsored plan, the numbers are lower. Roughly 46% of 25-34 year old workers participate in a workplace retirement plan, a figure which rises marginally to 59% for 55-65 year olds. As such, depending on the age cohort, between 10% and 18% of individuals work in an environment where an employer-based pension plan exists, but they either do not qualify to participate or outright choose not to participate. Among those aged 25-54, roughly 30% claim to not be able to afford to contribute, and another 20% claim to not have worked enough to qualify.

Employed individuals without access to employer-sponsored plans generally work in smaller offices (See Table 3) and for smaller firms (See Table 4). However, other savings vehicles are still available, including Keogh's for self-employed individuals or small business owners, and individual retirement accounts (IRA's). The bottom line is that there isn't a lack of options towards savings, but rather a lack of take-up. And, this trend is more pronounced for lower income individuals.

Table 5 shows that as income levels rise, so does the use of retirement accounts, irrespective of age cohort. Lower income workers are more likely to delay saving for retirement, which fits with the previous finding on corporate pension plans, where "can't afford to contribute" was a primary reason for non-participation. Lower income individuals simply have a thinner cushion of available discretionary income that can be put aside for savings. Thus, saving for

Table 4. Share of Workers* with Pension Plans Offered, by Company Size	
Company Size (No. of employees)	25-54 year olds
Less than 50	48.3%
50 to 100	64.3%
101 to 500	74.4%
501 to 1000	77.5%
Greater than 1000	83.3%

*excluding those indicating being business owners as a primary form of employment.
Source: Survey of Income and Program Participation, 2008 Panel, Wave 11.

Table 5. Retirement Account Participation		
Personal Income Groups	% of workers with a retirement account*	
	All 25-54 Year olds	55-65 Yo
Bottom	27.1%	44.7%
2	38.3%	51.4%
3	49.2%	60.3%
4	57.6%	66.3%
5	65.4%	71.4%
6	72.4%	77.3%
7	78.8%	82.4%
Top	84.5%	86.4%

*at least one of either an IRA, a Keogh, a 401(k), 403b, or a thrift plant. Refers to workers with income of $17,064 or more. Source: SIPP, 2008 Panel, Wave 11.

Table 6. Retirement Account Savings		
Personal Income Groups	Workers aged 55-65*	
	Average Income ($)	Avg market value of retirement accounts ($)
Bottom ($17064-$23664)	20,309	18,921
2 ($23665-$30636)	27,102	25,825
3 ($30637-$37896)	33,972	33,311
4 (37897-$46536)	41,877	54,426
5 ($46537-$56472)	51,123	59,291
6 ($51124-$71400)	63,210	82,901
7 ($71401-$100032)	83,459	111,615
Top ($>100032)	172,785	171,959

Note: retirement accounts include IRA, Keogh, 401(k), 403b, and thrift plant. *Workers with income of $17,064 or greater. Source: SIPP, 2008 Panel, Wave 11.

other priorities, like a child's education, can cause a direct trade-off with retirement savings.

Retirement Account Assets

However, differences in income levels still do not fully explain the retirement shortfall that is unfolding across America. Even for those who have taken advantage of the various retirement saving vehicles, the accumulated amounts generally look insufficient. According to 2012 data from the Survey of Income and Program Participation, half of all American workers near-retirement (55-65) earn less than $46,536 and, on average, have a total retirement account balance of $33,121[9] (See table 6). For those above the median threshold, the average income is roughly $92,644 with an average retirement account balance of $106,442. A more impressive amount, but not one that can support a 70% income-replacement annuity for the next 20-30 years even when Social Security payments are added into the equation.

Other Assets Held

This leads us to add in the final savings layer to consider – holdings of other assets that can be monetized in retirement. These include life insurance policies, rental property, business ownership, as well as financial assets held outside retirement accounts, such as stocks, bonds, or mutual funds[10]. Accounting for these and netting off non-residential liabilities provides a more holistic picture of the retirement-readiness of near-retirees[11]. In fact, for 55-65 year old workers, only 24-39% of average net assets are held in retirement accounts, depending on one's income bracket (See table 7).

By extending the analysis to other asset holdings, the picture for near-retirees brightens. Among 55-65 year old workers earning less than the median income, average net asset holdings add up to $110,316, substantially higher than the average $33,121 held in retirement accounts alone (See table 8).

If we now combine all the assets we considered, is it enough for the majority of near-retirement workers to retire at the 70% replacement income threshold we set? Unfortunately, the answer is still no.

Table 7. Distribution of Net Assets* by Type, for Workers 55-65 Years Old

Personal Income Groups	Average Income	Retirement account	Short term revolving net assets**	Cash Life Insurance	Rental Property net equity	Business Ownership equity	Other financial assets***
Bottom ($17064-$23664)	20,309	24.0%	-3.9%	39.6%	4.9%	17.7%	17.7%
2 ($23665-$30636)	27,102	25.8%	-3.6%	34.1%	6.7%	16.4%	20.6%
3 ($30637-$37896)	33,972	31.4%	-2.8%	34.8%	8.6%	11.1%	16.9%
4 (37897-$46536)	41,877	34.9%	-1.8%	38.1%	7.2%	5.7%	15.9%
5 ($46537-$56472)	51,123	34.7%	-2.5%	33.9%	7.1%	11.4%	15.4%
6 ($51124-$71400)	63,210	38.0%	-1.4%	30.0%	6.9%	10.1%	16.3%
7 ($71401-$100032)	83,459	38.8%	-1.5%	31.8%	7.7%	7.2%	16.0%
Top ($>100032)	172,785	38.8%	-0.7%	24.6%	7.1%	9.9%	20.3%

Source: SIPP 2008, wave 10. TD Economics. *Does not include value of residence or other non-rental properties owned, such as vacation homes, as well as value of vehicles owned. **non-interest checking account, store bills, credit cards, other amount owed or owing, such as medical bills, etc. ***Includes stocks, mutual funds, bonds, interest-bearing accounts and other financial assets. Note: Data refers to employed individuals with income of $17064 and greater.

Table 8. Net Asset Holdings for Workers 55-65 Years Old		
Personal Income Groups	Average Income ($)	Average Net Asset Holdings ($)
Bottom ($17064-$23664)	20,309	78,776
2 ($23665-$30636)	27,102	100,154
3 ($30637-$37896)	33,972	106,041
4 (37897-$46536)	41,877	155,882
5 ($46537-$56472)	51,123	170,925
6 ($51124-$71400)	63,210	218,424
7 ($71401-$100032)	83,459	287,741
Top ($>100032)	172,785	443,180

Source: SIPP 2008, wave 10. TD Economics. Note: Data refers to employed individuals with income of $17064 and greater. Does not include value of residence or other non-rental properties owned, such as vacation homes, as well as value of vehicles owned.

Do near-retirees have enough savings for retirement?

The median worker aged 55-65 years old has a shortfall of $142,000 relative to the lump sum amount needed for a 70% replacement income annuity (See Table 9). Among our income groups, only the lowest two have sufficient assets to retire at our 70% threshold. For these individuals, social security alone will be able to provide a significant portion of retirement income (assuming they've worked continuously throughout their entire career).

For higher income individuals, however, the savings requirements are much greater, and there is a clear shortfall[12]. The simple conclusion is that wealthier and higher-earning Americans are most at risk of having insufficient assets to maintain their current lifestyle in retirement. These individuals may need to choose to work for a longer period or reduce their consumption habits in retirement.

We do want to make clear that retirement income annuity equal to 70% of $173,000 (for the highest income group) is sufficient to lead a very comfortable lifestyle. These are not folks who will be in dire straits. The key message is that their consumption and lifestyle patterns may need to be altered. By only considering a 70% threshold, this already assumes significantly less spending on shelter or children's education. So, at sacrifice would likely be largely lifestyle leisure choices, such as the amount spent on restaurants, vacations, vehicles, the level at which you're able to sustain a vacation property, etc.

How much do individuals beginning a career need to save?

For younger workers beginning a career, the challenge is different. Although they have a large number of years in which they can save and benefit from asset appreciation, the distant nature of retirement makes planning difficult. Moreover, individuals face different initial circumstances. Some of them begin their career at a very young age, whereas others only start much later. Some will be burdened with large student debt loans, while others may already have dependents.

Therefore, for the purposes of estimating the pre-tax savings rate target these individuals should aim for, it is assumed that they begin their career at the age of 30 with no assets and liabilities. Furthermore, it is assumed that they work continuously for 37 years, and retire at the full social security retirement age of 67 years[13].

Focusing solely on employed workers with income above $17,064, a 30-year old earning the median income will need to save roughly 8-9% of his annual pre-tax income to ensure an adequate retirement. (see table 1). The greater this person's income, the more he will need to save as social

Table 9. Savings Requirements* for Near-retiree Workers (55-65)				
Personal Income Groups	Average Income ($)	Average Net Asset Holdings ($)	Total Savings Required, Assuming a 5% return	Excess savings (+) or shortfall (-)
Bottom ($17064-$23664)	$20,309	$78,776	$51,973	$26,803
2 ($23665-$30636)	$27,102	$100,154	$98,435	$1,720
3 ($30637-$37896)	$33,972	$106,041	$145,408	-$39,367
4 (37897-$46536)	$41,877	$155,882	$199,459	-$43,577
5 ($46537-$56472)	$51,123	$170,925	$262,694	-$91,769
6 ($51124-$71400)	$63,210	$218,424	$363,642	-$145,218
7 ($71401-$100032)	$83,459	$287,741	$557,147	-$269,405
Top ($>100032)	$172,785	$443,180	$1,573,710	-$1,130,530
Median	$46,500	$88,825	$231,076	-$142,251

Source: SIPP 2008, wave 10. TD Economics. *to ensure an annuity equal to 70% of pre-retirement income in retirement, after taking into account Social Security retirement benefits. Assumes a typical 60 year-old in 2011 will retire at the normal Social Security retirement age of 66 years old in 2017. Note: Does not include value of residence or other non-rental properties owned, such as vacation homes, as well as value of vehicles owned. Refers to workers earning $17064 or more.

security forms a declining portion of desired retirement income. If the return on savings is greater than 5%, then the annual savings rate required declines, and vice-versa. For instance, the required savings rate can be as low as 4-5%, or as high as 12-13%, if the annual return on savings is 7% or 3.5%, respectively.

The ranges described above are those which apply to median earners. However, for the very richest or the very poorest individuals, the story changes. For the highest-earning 30 year olds, a savings rate in the range of 8-20% could be necessary depending on the returns earned. In contrast, for the lowest-earning individuals, a much lower savings rate is necessary, given that social security largely fills in the gap in providing an annuity equal to 70% of pre-retirement income. However, for this income group, 70% of their pre-retirement income would likely leave them only slightly above the poverty threshold, such that additional savings would be beneficial.

Table 1. Pre-tax Savings Rate required* for 30 year old workers, under different return on asset scenarios

Personal Income Groups	Average Income ($)	Savings Rate Required, assuming 3.5% return	Savings Rate Required, assuming 5% return	Savings Rate Required, assuming 7% return
Bottom ($17064-$23000)	19,953	6.4%	4.4%	2.6%
2 ($23001-$28800)	25,501	9.0%	6.1%	3.6%
3 ($28801-$34000)	30,890	10.6%	7.2%	4.2%
4 ($34001-$40000)	36,852	11.8%	8.0%	4.7%
5 ($40001-$48000)	43,191	12.8%	8.7%	5.1%
6 ($48001-$58000)	51,792	13.7%	9.3%	5.4%
7 ($58001-$75000)	65,085	15.4%	10.5%	6.1%
Top (>75000)	108,861	19.5%	13.2%	7.8%

*to ensure an annuity equal to 70% of pre-retirement income in retirement, after taking into account Social Security retirement benefits. Assumes individual begins his career at the age of 30, has no accumulated assets at this moment, and retires at the normal retirement age of 67. Annual income rises at the same pace as the Social Security Administration's National Average Wage Index. Refers to workers with income of $17064 and greater. Source: American Community Survey, Social Security Administration.

The end result, is somewhat paradoxal in that the highest earners will need to save the most. This is due to the fact that the highest-earners generally have greater consumption habits, and will receive a lower share of pre-retirement income from social security.

Conclusion

Although the situation varies by individual, on average, there is evidence that a majority of near-retiree workers may not have enough savings to maintain the same lifestyle in their golden years.

For these folks, some will delay retirement to build up savings, while others may decide to lower their consumption habits. For younger individuals beginning their career, a 70% retirement replacement income is certainly within reach. However, this will require most workers to diligently save throughout their career and closely monitor their asset returns. The annual pre-tax savings rate target should be 8-9% for a median worker beginning a career. This is roughly double the current national savings rate. And, remember, this is an *annual* savings rate. Years when savings are deferred or redirected due to life events (such as home purchases, children, education etc), require the savings shortfall to be made up in future years, keeping in mind that those sacrificed years also dented the compounded interest effect that would otherwise accumulated.

We have also assumed that an individual works throughout their entire career. Spending time out of the labor market or unemployed will increase the savings rate required on the remaining years of employment. Similarly, a persistent shortfall in asset returns would need to be offset by a higher savings rate.

Lastly, all the analysis above excluded individuals for whom 70% of their income would leave them below the poverty threshold. For 55-65 year old workers, this adds up to roughly 5 million Americans. So when we take a step back and look at the big picture of whether Americans are ready for retirement, it does leave the impression that the answer is largely “no”.

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End Notes

1. Source: Consumer Expenditure Survey. Estimate based on 1) calculating the average annual expenditures for consumer units 65 years and over, dividing this figure by the average number of persons in a consumer unit, and removing cash contribution expenses and pension expenses, while adding tax expenses; 2) calculating the average annual expenditures for consumer units 55-64 year olds, dividing this figure by the average number of persons in a consumer unit, increasing this figure by the 2012 average savings rate, and adding personal taxes, 3) Taking the ratio of (1) over (2), which yields 72.6%. This number is then rounded down to 70%.
2. Source: Social Security Bulletin, Vol. 72, No. 1, 2012. http://www.ssa.gov/policy/docs/ssb/v72n1/v72n1p37.pdf
3. Source: U.S. Census Bureau, Official Poverty Threshold. http://www.census.gov/hhes/www/poverty/data/threshld
4. Source: Social Security Administration. http://www.ssa.gov/policy/docs/ssb/v71n2/v71n2p17.html
5. See Social Security Administration for more information: http://www.ssa.gov/pubs/EN-05-11000.pdf
6. Source: Alicia H. Munnell, "Social Security's Real Retirement Age is 70". © 2013, by Trustees of Boston College, Center for Retirement Research. http://crr.bc.edu/wp-content/uploads/2013/10/IB_13-15.pdf
7. This is generally the case for defined-contribution plans, but is not the case for defined-benefit plans, which are less common. For the purposes of this report, we did not include retirement income from defined-benefit plans.
8. Excludes individuals who declare being business owners as a primary form of employment. Figures include those who are offered a retirement plan at work through their union.
9. Retirement accounts include 401(k), 403(b), Keogh's and IRA's, thrift plans, etc. Because it was not possible to obtain figures on defined-benefit plan retirement income, these were neglected. The final results should be largely unaffected as defined-benefit plan participation has been in decline for years, with only 14% of private sector employees participating in one in 2011. This decline is likely to continue going forward.
10. For this exercise, net assets exclude equity held in a principal residence, in a non-rental property, or in motor vehicles. While many individuals may use their residence as a savings vehicle, the need to live somewhere reduces the simplicity of liquidating this particular asset. Of course, downsizing to a smaller home or moving to a rental arrangement may free up equity, which would provide an additional source of income in retirement.
11. Americans also carry a small amount of unsecured debt, such as medical or credit card bills, which was subtracted in order to get a more accurate picture of net assets.
12. Note that because the Survey of Income and Program Participation is top-coded, assets held by the very richest individuals may be underreported. As such, we would caution against imputing these findings to ultra high net worth individuals.
13. For individuals born in 1960 and later, the full retirement age necessary to receive unreduced social security benefits is 67.