# Year-Apart Estimates of Household Net Worth from the Survey of Income and Program Participation 

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YEAR-APART ESTIMATES
OF HOUSEHOLD NET WORTH FROM THE
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The views expressed in this paper are those of the authors and do not necessarily reflect those of the U.S. Bureau of the Census.

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# Year-Apart Estimates of Household Net Worth from the 1984 Panel of the Survey of Income and Program Participation 

## INTRODUCTION

The difficulty of collecting accurate data on wealth in a household survey has long been recognized. The modern history of wealth surveys began with a 1946 survey sponsored by the Federal Reserve Board (FRB) and continued with the annual surveys of Consumer Finances conducted by the Survey Research Center at the University of Michigan during the period 1947 to 1970. In the 1960-61 Survey of Consumer Expenditures, sponsored by the Bureau of Labor Statistics (BLS), data on assets and liabilites were collected one year apart, enabling BLS to calculate the net change in assets and liabilities. In 1963 and 1964, the FRB sponsored what might be viewed as the most ambitious effort ever to obtain wealth and saving estimates from a household survey. The 1963 survey collected very detailed asset and liability data from a sample of approximately 2,500 households [Projector and Weiss, 1966]. The households were visited again one year later to obtain the data that were used in producing estimates of household saving [Projector, 1968]. A special feature of the 1963-64 survey was a design that sampled highincome housenolds at a higher rate that other households. Other household surveys that collected a significant amount of data on household wealth included the FRB's 1977 Consumer Credit Survey [Durkin and Ellishausen, 1978]; the 1979 Survey of the President's Commission on Pension Policy [Cartwrght and Friedland, 1985], and the 1979 Income and Survey Development Program [Pearl and Franke1, 1982; Radner, 1984].

More recently, data from two major wealth surveys have received a considerable amount of attention. The 1983 Survey of Consumer finances (SCF) was conducted by the University of Michigan's Survey Research Center and was sponsored by several Federal agencies including the Federal Reserve Board. The survey collected data from a basic representative sample of about 3,800 families and from a special high-income sample of 438 families. Estimates are available from a sampling frame that excludes the high income families and from a frame that includes them [Avery, et. al., 1984 and 1986]. The survey received a good deal of attention when the results were used to estimate the change in wealth inequality [Joint Economic Commitee, 1986]. The second major survey was the Survey of Income and Program Participation (SIPP). SIPP is an ongoing panel survey sponsored by the Bureau of the Census. Each panel remains in sample for two and one-half years and interviews are conducted every four months. The source of the data for the SIPP wealth report was the asset and liability questions that were asked in the fourth wave of the 1984 panel. ${ }^{1}$ The interviews were conducted during the period September-December 1984, and the sample of 20,000 households was the largest for any survey containing a detailed set of wealth questions. SIPP wealth data have been presented in a report and in several papers [U.S. Bureau of the Census, 1986; Lamas and McNeil, 1985 and 1986].

The design of the first four panels of SIPP calls for the collection of wealth data twice each panel. The same questions that were asked in wave 4 of the 1984 panel were repeated one year later in wave 7. This design allows us to examine changes in net worth over a one-year period. The major purpose of this paper is to present the wave 4 and wave 7 estimates and offer some conclusions about what the comparisons show about the reliability of the estimates.

Asset and liability data are collected in SIPP because a certain amount of asset data are required to determine program eligibility, because such information makes the SIPP data base more useful to those who want to model the effect of tax and transfer policies, and because net worth provides a dimension of economic status that is not fully captured by income. The design of the asset questions is based on the core questions about income recipiency. In some sense, the marginal cost of SIPP asset questions is small because the ownership of various categories of assets is established in the core of each wave as part of the method of measuring income. Information about the value of certain major assets is collected as a composite amount. For example, the amount held in the following four forms is collected as a single figure; (1) regular savings accounts, (2) money market deposit accounts, (3) certificates of deposit, and (4) interest-earning checking accounts. Another single amount question is asked about four other assets; (1) money market funds, (2) U.S. Government securities, (3) municipal or corporate bonds, and (4) other interest-earning assets excluding mortgages and U.S. Savings Bonds. The assets are grouped in this way to measure income and the grouping is maintained to minimize the cost of the
additional questions about asset value. For other assets, amounts were collected for each type including stocks and mutual fund shares, own home, rental property, other real estate, mortgages held from the sale of property, regular checking accounts, U.S. savings bonds, and other financial assets.

The major asset categories not covered in SIPP are (1) pension plan assets, (2) cash surrender value of life insurance, and (3) consumer durables other than vehicles. SIPP does collect information on whether persons are covered by or vested in a pension plan and information on the face value and type of life insurance policies.

COMPARISON OF SIPP AND SCF ESTIMATES OF NET WORTH
Because the 1983 SCF was designed as a wealth survey, it provides a useful reference for examining some of the basic wealth estimates from SIPP. There are minor differences between SIPP and SCF in the timing of the survey (SIPP interviews were conductied from September 1984 to December 1984; SCF from February 1983 to July 1983) and in the coverage of the household population (SCF did not obtain data for secondary unrelated individuals or for unrelated subfamilies). The major differences have to do with the amount of detail collected and, perhaps most importantly, with the availability of a high income sample for the SCF. The comparisons in Table A distinguish between SCF estimates based on the representative sample and SCF estimates based on the merged sample. The SCF representative sample was selected in approximately the same manner as the SIPP sample. The SCF merged sample combines the high-income sample with the representative sample. The comparisons in table A show SCF data as published in the Federal Reserve Bulletin as well as revised estimates [Avery, et.al., 1986].

The revisions essentially reflect the correction of a very large error on a single questionnaire.

Table A. Comparisons of SIPP and SCF Estimates of Net Worth

| NET WORTH | SCF: Before Revision 1/ |  | SCF: After Revision 2/ |  | SIPP |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Representative sample | Merged sample | Representative sample | Merged sample |  |
| Excluding equity in motor vehicle and own business: Mean. $\qquad$ Median. $\qquad$ | $\begin{array}{r} \$ 66,050 \\ 24,574 \end{array}$ | $\begin{aligned} & N_{.} A_{0} \\ & N_{.} A_{0} \end{aligned}$ | $\begin{gathered} N_{0} A_{0} \\ N_{0} A_{0} \end{gathered}$ | $\begin{aligned} & N_{.} A_{0} \\ & N_{0} A_{0} \end{aligned}$ | $\begin{array}{r} \$ 65,801 \\ N_{.} A_{0} \end{array}$ |
| Includiny equity in motor vehicles and own business: Mean. $\qquad$ Median. $\qquad$ | $\begin{aligned} & N_{.} A_{0} . \\ & N_{.} A_{0} \end{aligned}$ | $\begin{array}{r} 133,502 \\ 30,553 \end{array}$ | $\begin{array}{r} 103,465 \\ \text { N.A. } \end{array}$ | $\begin{gathered} 119,898 \\ \text { N.A. } \end{gathered}$ | $\begin{aligned} & 78,574 \\ & 32,455 \end{aligned}$ |

1/From the Federal Reserve Bulletins of September 1984 and December 1984. 2/Obtained from the Federal Reserve Board.

Note: The SCF estimates include forms of wealth not included in the SIPP estimates; including the cash value of life insurance and the value of employer-sponsored thrift, profit sharing, stock option, and tax-deferred savings plans. In addition, the SCF and SIPP differ in their measures of business equity. The SCF estimate includes equity in nonpublic businesses in which the person had no management responsibilities. The SIPP questionnaire had no specific questions on such arrangements and probably did not count most of the wealth held in this form.

The first row in table A shows mean net worth when motor vehicle and business equity are excluded. This is a measure of net worth that was published in the Federal Reserve Bulletin and we have chosen to show it here because it offers an opportunity to examine the effect of business equity on the SIPP and SCF estimates. The SIPP and SCF estimates shown in the first row are very close. The second row is based on a more comprehensive measure of net worth and shows the following:

1. The SCF merged sample estimate of mean net worth is much higher than the SCF representative sample estimate (about 16 percent higher).
2. The SCF revision had a large effect on the estimate of net worth (it lowered the estimate of the mean by about 11 percent and the estimate of total net worth by about 1.1 trillion).
3. When business equity is included, the SIPP estimate of mean net worth is much lower than the SCF figures; but the SIPP estimate of median net worth is higher than the SCF estimate even when the comparison is with the SCF estimate that would be expected to produce the highest figure (the merged sample before revision). Based on a comparison of medians, the SIPP wealth estimates are clearly no worse than the SCF estimates, and might be considered slightly better. This conclusion is reinforced when one considers that the SCF estimates include forms of wealth that are not included in the SIPP estimates ${ }^{2}$. A comparison of means seems to show a much different result, but the measurement issues are complex and the comparison must be approached with caution. Two major measurement issues are the stability of measures of business equity and the effect of including 438 high income families in the SCF sample. Table A shows that the SIPP and SCF estimates of mean net worth are virtually identical when equity in own business is excluded from the net worth
measure and when the SCF estimate is based on the representative sample (the SIPP estimate was $\$ 65,801$ compared to a SCF estimate of $\$ 66,050$ ). When business equity is included, the difference between the SIPP and SCF estimates becomes sizable. The SIPP estimate of mean net worth when business equity is included is $\$ 78,574$ and the SCF revised estimate based on the representative sample is $\$ 103,463$. The SCF revised estimate rises to $\$ 119,898$ when it is based on the merged sample.

The data in table A show that relatively high SCF estimates of business equity and the addition of 438 high-income families to the SCF sample result in SCF estimates of mean net worth that are substantially above the SIPP estimates. Does this mean that the SCF estimates are superior to the SIPP estimates? Theproper answer to this question is that the choice of the data set depends upon the intended use of the data. Because of its larger sample size, and because it produces an estimate of median net worth that is slightly higher than any SCF estimate, it seems reasonable to select the SIPP data set when comparing the wealth status of various subgroups of the population. The dramatic effect a single questionnaire can have on mean values makes it prudent to use medians rather than means when making comparisons among demographic, social, or ethnic goups. In fact, the very large effect of "outliers" raises questions about any analysis that depends on means or aggregates. The paper in this conference by Curtin, Juster, and Morgan describes the problems of "outliers" and cites three cases in the SCF sample and one case in the SIPP sample. The first SCF case cited by the authors is the case that led to the major revision in the SCF estimates. An entry of $\$ 200,000,000$ was subsequently changed to $\$ 2,000,000$ on the basis of information obtained in 1986. The original value, when weighted, had accounted for approximately ten percent of U.S household wealth. The authors also cite a SCF case in which reported net worth was about one billion dollars.

This case was not included in the final SCF sample because of a lack of information on income, but its inclusion would have approximately doubled the SCF estimate of total U.S. household wealth. The SIPP case involved a questionnaire showing a business equity of $\$ 50,000,000$. This case was not included in the final SIPP file because the 1984 wealth data appeared to be inconsistent with other data obtained for this household including information on wealth holdings in 1985.

The message for data users is that household survey estimates of aggregate and mean wealth are potentially highly unstable. We advise caution when using either the SCF or the SIPP if conclusions are to be based primarily on crosssection or time-series differences in aggregate or mean wealth.

We do regard household survey estimates of median wealth as useful and valid. This judgement is based on comparisons of medians between SIPP and SCF and between the SIPP estimates from the wave 4 and wave 7 interviews.

COMPARISON OF SIPP NET WORTH ESTIMATES FROM WAVE 4 AND WAVE 7

Tables 1 and 2 provide basic estimates of median, mean, and aggregate household net worth for both wave 4 and wave 7. The data have been weighted to represent all U.S. households. The wave 7 figures have been adjusted by the change in the Consumer Price Index to allow for a constant dollar comparison. Over the 12 month period, the estimates show a $\$ 818$ decline in household median net worth (from $\$ 32,455$ to $\$ 31,637$ ), a $\$ 34$ decline in mean net worth (from $\$ 78,574$ to $\$ 78,540$ ), and a $\$ 121$ billion dollar increase in aggregate net worth (from $\$ 6.825$ trillion to $\$ 6.946$ trillion). These estimates of change, however, are not statistically significant.

When comparing net worth estinates, either in the cross-section or over time, both sampling and nonsampling errors must be taken into consideration. The standard errors for each of the net worth estimates in Table 1 are shown in parentheses. For the population subgroups shown in the table, the relatively large sample size of SIPP produces standard errors small enough so that is is possible to identify those race, age, family type, and income yroups with relatively high or low levels of net worth. The data also show a certain stability in the net worth estimates between wave 4 and wave 7. For example, consider the following ratios of median net worth: the White to Black ratio was 12 to 1 in both wave 4 and wave 7; the old to young ( 65 and over to under 35 ) ratio was 11 to 1 in both waves; the married-couple family to female householder family ratio was 9 to 1 in wave 4 and 11 to 1 in wave 7; and the highest income quintile to lowest income quintile ratio was about 20 to 1 in both wave 4 and wave 7. Table 1 shows very few statistically significant year-to year changes in net worth. The three changes that were significant at the 95 percent confidence level are marked with a single asterisk, and the one change that was significant at the 90 percent confidence level is marked with a double asterisk. As we examine the data more closely, we are likely to conclude that these "significant changes" probably reflect measurement problems.

Sampling error becomes more important as the base of the estimate declines. Table 3 shows the mean net worth of households by income quintile crossclassified by household type and age of householder for both wave 4 and wave 7. The data show a positive relationship between income and wealth
for most types of households by age groups, and there is evidence that net worth increases with age for most types of households by income groups, but the standard errors for most of the cells are very large. Many of the cross-section comparisons have to be carefully qualified, and little can be said about year-to-year changes.

Nonsampling errors in the form of reporting errors and nonresponse nay be more important than sampling errors. Reporting errors can have a very large effect on estimates, and it is difficult to determine when a serious reporting error has occurred. The controversy surrounding the Joint Economic Committee's report on changes in wealth inequality underlines the dramatic effect a single observation can have on estimates of mean and aggregate net worth. Every household survey faces this problem, and in wave 4 of SIPP we encountered a case that we considered a problem case. One of the sample households in that wave repórted a business equity of $\$ 50,000,000$. A review of the other entries on the questionnaire raised doubts about the accuracy of that figure, but the evidence was not conclusive. We decided to wait until we could examine the responses to the wave 7 questionnaire before making a final decision on the value to adopt for wave 4. The wave 7 responses convinced us that the wave 4 data were incorrect, and the final value adopted for wave 4 was set equal to the wave 7 response: $\$ 2,000,000$. Given that the household weight was about 6,500 , the decision reduced the potential wave 4 estimate of total business equity by approximately 300 billion dollars.

There is a particular kind of reporting error that is frequently important in panel surveys. The error, called time-in-sample bias, is present in Current population Survey rotation group estimates of income and labor force activity, and may very well be present in SIPP estimates. Whether this type of error has a serious effect on SIPP estimates of year-to-year change in net worth can be examined as data from the 1985 and other panels become available.

The problems of noninterviews and nonresponse can be serious for household surveys. Noninterviews occur when a person or household refuses to participate in the survey or when the person or household cannot be located. in order to conduct an interview. Approximately 11 percent of the households eligible for the first wave interview were noninterviews in wave 4. The figure was about 17 percent in wave 7. These noninterview rates compare favorably to the rates in other wealth surveys. Nonresponse occurs when a respondent does not know the answer to a question, and questions about the value of assets and debts are difficult to answer in the setting of a relatively brief household interview. The problem is compounded when interviews are conducted with proxy respondents, and the SIPP survey design allows for the interview to be conducted with a "knowledgeable" relative if the sample person is not available at the time of the household interview. Nonresponse also occurs when a respondent refuses to answer a question. This is relatively rare in SIPP, but some of the "don't know" responses may, in fact, be polite refusals. When SIPP questionnaires are processed, missing information is imputed using a procedure that searches for a donor
with similar characteristics and then sets the missing value equal to the value reported in the questionnaire of the donor. It is important to realize that the wave 4 data and the wave 7 data were processed independently. Except for the single case described above, we did not use information from one wave to fill in missing information or modify responses in the other wave. The importance of this feature of the processing system will become apparent later when we examine estimates for matched households.

Table 4 shows the proportion of total value that was imputed for selected assets. In wave 4, imputations accounted for nearly 40 percent of the value of stocks and mutual fund shares and the value of own businesses. About 30 percent of the value of rental property was imputed, and about 20 percent of the wealth held in own homes, other real estate, and IRA's. The wave 7 imputation rates were generally similar except for a large increase in the amount of imputation for the value of own business. The rate was approximately 50 percent in wave 7.

In order to test the theory that knowledge of their earlier response would lead respondents to give improved estimates of change, information about wave 4 responses was given to one-half of the sample at the time of the wave 7 interview. This feedback procedure was similar to the procedure used in the 1964 FRB survey [Projector, 1986]. Tables 5 and 6 show median and mean net worth figures by whether the household was in or out of the feedback sample. When the various subgroups are examined, it is difficult to discern any regular effect of the feedback procedure. For example, among the 55 to 64 years of age group, those in the feedback sample reported a smaller change
than the nonfeedback group, but the relationship was reversed for the 65 years and over age group.

The comparison of wave 4 with 7 shows a certain stability in the basic relationships. The net worth data in table 7 illustrate this stability, and the comparison with the income data shows that net worth data are an important addition to our usual set of income tables. Black households, for example, receive about 7 percent of aggregate income, but own only 3 percent of total net worth. On the other hand, families with a householder 65 and over received about 13 percent of total income and owned about 30 percent of total net worth. When we examine year-to-year changes in net worth, the results are less encouraging. Among most population subgroups, the change in net worth was not statistically significant. Perhaps more importantly, those changes that passed the test of statistical significance, seem inore likely to reflect measurement problems than real economic change. It is difficult to understand, for example, why households with a householder 45 to 54 years of age should have experienced a 9 percent drop in median net worth during a 12 month period.

COMPARISON WITH FLOW OF FUNDS ESTIMATES

The categories used to collect asset data in SIPP, along with information about the number of owners and the values of the assets, are shown in table 8. The wave 4 and wave 7 data are generally similar, although there is some suggestion of a decline in asset ownership (most of the changes in the ownership rate for individual assets were not statistically significant,
but in 10 out of 12 asset categories the measured change was negative). The value of home equity was by far the largest asset category, accounting for nearly 3 trillion dollars out of the aggregate net worth figure of approximately 7 trillion dollars.

The SIPP asset categories are not directly comparable to the categories used by the FRB in their flow of Funds Accounts estimates (FFA). First, SIPP does not cover all the assets that are included in the FFA estimates. We have mentioned that SIPP excludes pension wealth, the cash value of life insurance, and the value of consumer durables other than vehicles. Cash holdings should be added to the list. There is some ambiguity as to the coverage of estates and personal trusts. SIPP does not have specific questions on these assets and it seems likely that most of this form of wealth is absent from the SIPP estimates. A second difference between SIPP and FFA is the inclusion of holdings of the nonprofit sector in the latter accounts. A rough estimate of the 1984 assets of this sector was $\$ 530$ billion. A third difference is population coverage; SIPP excludes the institutional and military populations. Finally it should be noted that the FFA household sector estimates are essentially the residuals that remain after allocations are made to other sectors and are not free from measurement error.

Table B compares SIPP and FFA estimates for 1984 by attempting to combine and adjust the categories where necessary. Two categories that are common are equity in own home and motor vehicle equity. The SIPP estimate of home equity is far greater than the FFA estimate (\$2.8 trillion versus $\$ 1.9$ trillion). The SIPP estimate of $\$ 0.4$ trillion for vehicle equity was slightly less than the FFA estimate of $\$ 0.5$ trillion.

In order to compare holdings of financial assets, we must add together two categories from the FFA estimates, "deposits and credit market instruments", and "corporate equities", adjust this sum for personal trust and nonprofit sector holdings, and compare the adjusted sum to the sum of certain SIPP categories.

Table B. Conparison of SIPP and Flow of Funds Estimates of Household Wealth (In trillions of dollars)

| CATEGORY | SIPP <br> (Wave 4) | Flow of Funds <br> (fourth quarter of 1984) |
| :---: | :---: | :---: |
| 1. Equity in own home........... | $\$ 2.8$ | $\$ 1.9$ |
| 2. Equity in motor vehicles.... | 0.4 | 0.5 |
| 3. Financial assets............. | $2.51 /$ | $3.42 /$ |
| 4. Equity in noncorporate | $1.03 /$ | 2.5 |

1/Sum of stock and mutual fund shares ( $\$ 0.5$ trillion), interest-earning assets ( $\$ 1.2$ trillion), regular checking accounts ( $\$ 43$ biliion), savings bonds ( $\$ 33$ billion), value of IRA and KEOGH accounts ( $\$ 0.2$ trillion), other financial assets ( $\$ 0.3$ triliion), and the amount of corporate stock included in the SIPP category of "own business or profession" ( $\$ 0.3$ trillion).

2/Sum of deposits and credit market instruments ( $\$ 3.3$ trillion), and corporate equities ( $\$ 1.5$ trillion) less estimated value of estates and personal trusts ( $\$ 0.9$ triliion) and nonprofit sector assets ( $\$ 0.5$ trilition).

3/Sum of equity in own business or profession ( $\$ 0.8$ trillion) less value of corporate stock included in this category ( $\$ 0.3$ trillion) plus equity in rental property ( $\$ 0.6$ trillion).

The SIPP categories that comprise the estimate of financial assets include stock and mutual fund shares, interest-earning assets, regular checking accounts, savings bonds, IRA and KEOGH accounts; other financial assets, and the amount of corporate stock included in the SIPP category of "own business or profession." (certain corporate stock is counted in this category because of the design of the questionnaire). Table B shows that the FFA estimate of financial assets was $\$ 3.4$ trillion compared to a SIPP estimate of $\$ 2.5$ trillion. The final category to be compared is equity in noncorporate business. The FFA estimate for this category was $\$ 2.5$ trillion. The SIPP estimate, obtained by adding together own business or profession (less the corporate stock included in this category) and equity in rental property was $\$ 1.0$ trillion.

If the FFA estimates are taken at face value, it would appear that SIPP seriously underestimates wealth held in the form of financial assets and business equity and seriously overestimates wealth held in the form of home equity. Based on comparisons with other household survey estimates of home equity and on validation studies of survey estimates of home value [U.S. Bureau of the Census, Wolters and Woltman, 1974], we think it unlikely that the SIPP estimate of home equity is seriously biased. We conclude that the FFA estimate of home equity is not a good reference figure. Validation studies of survey estimates of financial assets show that the failure to report ownership of financial assets is a serious problem [Ferber, et. al., 1968 and 1969], and the evidence seems strong that the SIPP estimates of holdings in the form of financial assets have a serious downward bias.

Finally, the SIPP estimate of business equity is well below the FFA estimate. Again, it seems likely that the SIPP estimate has a serious downward bias, but a definitive conclusion could be reached only after some form of validation study.

The above comparison leaves out the SIPP category of "other real estate" (about $\$ 0.3$ trillion). Some of the assets in this category are vacation homes; some probably belong in the "own business" category.

CHANGES IN NET WORTH AT THE INDIVIDUAL HOUSEHOLD LEVEL

The discussion thus far has been concerned with the comparison between cross- section estimates. Because SIPP is a panel survey, it is possible to measure changes in net worth at the individual household level. In order to do so, we began with households as they existed on the wave 7 file and matched back to the wave 4 file. We considered a match to exist if the householder in the wave 7 household was present as a householder or spouse of householder in the wave 4 file. We classified the matched household as "having no change in composition" if each wave 7 adult was present in the wave 4 household and each wave 4 adult was present in the wave 7 household. The "matched household" file produces estimates that are not strictly comparable to the wave 4 and wave 7 files taken separately. Some households were not present in wave 7 because of a sample cut that occurred between the two waves.

In interpreting these matched results, it should be remembered that the imputation procedures used for wave 4 and wave 7 were independent. The imputation procedures give cross-section results that are reasonable, but the estimates of change produced by two independent procedures cannot be expected to be reasonable.

Table 10 shows the percent distribution of various household groups by their change in net worth from wave 4 to wave 7. For all matched households without imputations, about 15 percent had a decline of $\$ 10,000$ or more, 20 percent had an increase of $\$ 10,000$ or more, 23 percent had an increase or decrease of less than $\$ 1,000$, and the rest had declines or increases in the $\$ 1,000$ to $\$ 9,999$ range. It is difficult to determine the extent to which these estimates reflect real changes and the extent to which they represent measurement problems. We can start by considering that only 2 percent of households have annual incomes of $\$ 100,000$ or more. For 98 percent of households, then, a change in net worth of $\$ 10,000$ is a very large change. If asset prices were stable, a $\$ 10,000$ increase in net worth would mean that more than 10 percent of current income had been saved.

We know, of course, that asset prices were not stable duriny our reference period. The value of the average share of stock listed on the New York Stock Exchange increased by 12 percent from late 1984 to late 1985. Our data from SIPP, however, show that only about 20 percent of households owned stock and the average value of stock porfolios was about $\$ 27,000$ in late 1984. Given these considerations, it seems likely that the measured changes in the net worth of individual households has a large error component.

Table 10 shows estimates for households with no change in composition and for a certain set of households that did have a change in composition. Households without a change in composition had, on average, an increase in net worth. Married-couple households had an average increase of $\$ 5,329$, for example, although 34 percent had a decrease of $\$ 1,000$ or more and 15 percent had a decrease of $\$ 10,000$ or more. The universes for two groups of households that did have a change, wave 7 widows who were married, spouse present in wave 4, and wave 7 divorced or separated women who were married, spouse present in wave 4, are quite small. The data show an average net worth increase of $\$ 13,000$ for the widows and an average decrease of $\$ 11,000$ for the divorced and separated.

The second page in table 10 shows net worth change data for households that had one or more net worth items imputed in either wave 4 or wave 7. As discussed earlier, the fact that the wave 4 and wave 7 imputation procedures were independent essentially eliminates these households as a data source
for analyzing changes in the net worth of individual households. About 62 percent of the households in this group had a change of $\$ 10,000$ or inore. Unfortunately, there are more households in the "imputed" group than in the "nonimputed" group. Sixty percent of all matched households had one more imputed net worth items in either wave 4 or wave 7.

There is some evidence that the feedback procedure reduces the estimates of change. The third page of table 10 presents data for those matched households with no imputation who were in the feedback sample. The mean difference in net worth for this group was $\$ 1,947$ versus $\$ 3,387$ for matched, nonimputed households who were not in the feedback sample. The proportion of feedback sample households with changes of $\$ 10,000$ or more was 33 percent for the feedback sample and 36 percent for the nonfeedback sample.

The data on the last page of table 10 show a reasonable relationship between income level and change in net worth. One would expect that large changes would be more common for high income household than for low income households and the data support this expectation. Approximately 37 percent of households in the highest income quintile had an increase of $\$ 10,000$ or more, 24 percent had a decrease of $\$ 10,000$ or more, and 6 percent had a change of less than $\$ 1,000$. In comparison, 9 percent of households in the lowest quintile had an increase of $\$ 10,000$ or more, 7 percent had a decrease of $\$ 10,000$ or more, and 50 percent had a change s.maller than $\$ 1,000$.

FITTING A SAVINGS MODEL
We have used the SIPP data to fit a simple model of savings in which the change in net worth is a function of the level of total net worth and income at the beginning of the period, the change in income during the period, and certain characteristics of the householder including age, marital status, and race and ethnicity. The set of observations was limited to those households without a change in composition who had no imputed net worth items.

The results of regressing the change in net worth on the independent variables are summarized in Table 12. The regression was significant and had an $R^{2}$ of .08. The income variables had a significant positive effect on savings (the value of their coefficients were more than twice as large as the standard errors), wave 4 net worth had a negative and significant coefficient, the age groups "less than 35 " and "45 to 54" had a significant negative effect, and the other variables were not significant. These regressions are consistent with the results obtained by Projector when she regressed 1963 savings on 1963 disposable income and December 1962 net worth. In that study the coefficient of income was positive, the coefficient of net worth was negative, and the $R^{2}$ was . 04 [Projector, 1968].

REPLY TO DISCUSSION BY MARTIN DAVID 3
In his discussion of this paper, Martin David has provided an extremely valuable critique of household wealth surveys in general and the SIPP survey in particular. We agree with many of his points but we also note that the measurement of household wealth per se has not been viewed as a primary purpose of SIPP. We hope that some of the suggested changes can be adopted, but changes that are costly or that impinge on other aspects of the survey are unlikely to occur. In the area of survey procedures, David recommends that an effort be made to interview the household member who is best able to provide financial information. He also recommends that the questionnaire be modified to obtain data on assets held in trust for children, on business investments in which the person does not play an active management role, and on certain other assets not presently covered. A third major recommendation is to ask respondents to examine records when possible. All of these' recommendations seem useful.

David makes a strong case for conducting validation studies. He notes that previous studies identified the problem of false negatives as a major factor in the tendency of survey estimates to fall short of independent estimates. He suggests that information from validation studies could be used to correct for false negatives (change some of the "no" responses) and would provide a basis for imputing amounts to persons who refuse to answer questions on ownership or value.

We agree completely with his statement that the wealth data should be subjected to longitudinal editing and imputation procedures if the data file is to be used to examine changes in wealth. We have attempted to circumvent this problem in some of our analysis by restricting the universe to cases that did not require imputation in either of the two waves, but this approach sacrifices larye amounts of data.

The implementation of any of these changes will depend on a review of the evidence concerning their likely benefit and a comparison of the likely benefit with the likely cost. For example, the suggestion that an attempt be made to interview the household member who is most knowledgeable about finances would be accepted only if it could be demonstrated that the cost was small in terms of field resources, response rates, and the quality of other types of data.

## CONCLUSIONS

The major purpose of this paper was to present an evaluation of SIPP data on household wealth. The major aspect of the evaluation was comparison of the net worth levels of individual households as reported in interviews conducted one year apart. Other methods of evaluation included comparisons with SCF and FFA estimates.

The major findings include the following:

1. SIPP estimates of the relative wealth holdings of various population subgroups are remarkably stable based on a comparison of median net worth estimates from wave 4 and wave 7.
2. Household survey estimates of aggreyate and mean net worth are very sensitive to "outliers" (cases with very high values). These "outliers" may represent response errors or marking errors, or they may, in fact, be an accurate estimate of the holdings of an individual. In the latter case, the "outlier" may or may not be multiplied by an appropriate weight when the raw survey data are converted to estimates of the wealth of U.S. households.
3. The problem of "outliers" is so severe that analyses and evaluations of household survey wealth data that are based solely on aggregate or mean estimates are subject to serious questions about validity.
4. The large differences between wave 4 and wave 7
in the holdings of individual households is additional evidence that household wealth estimates are subject to large reporting or marking errors.

The finding that SIPP produces stable estimates of median net worth suggests that SIPP provides important new data on population subgroup differences in net worth. The relatively large sample size and an estimate of median net worth that is larger than the SCF estimate means that SIPP is the preferred data set for this purpose. The value of SIPP net worth estimates is enhanced by the rich array of demographic, social, and economic data collected during the life of the panel (e.g., personal history characteristics, program participation status, and employer benefit recipiency). We concur with Martin David that certain questionnaire and procedural changes would improve the quality of SIPP wealth data, but we are cautious about the desirability of major changes. We note that differences between household surveys in estimates of mean and aggregate net worth are strongly influenced by "outliers." In the absence of validation stidies, we are not prepared to accept an increase in estimated mean or aggregate wealth as evidence that a better source of data has been obtained.

## End Notes

${ }^{1}$ The first wave of interviews with the 1984 panel households was October, November, December 1983 and January 1984. In general, a wave is a complete set of interviews with the sample households and is completed over a four month period.
${ }^{2}$ See the note to Table A for a description of these forms of wealth.
${ }^{3}$ The discussion by Martin David (University of Wisconsin) is not included in this Working Paper. It will be available in the Conference Proceedings.

Table 1. Median and Mean Household Net Worth by Selected Household Characteristics: Wave 4 and Wave 7
(In constant dollars. Standard errors in parentheses)

| Characteristic | Median net worth |  |  | Mean net worth |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\underset{4}{\text { Wave }}$ | Wave 7 | Wave 7 <br> minus <br> Wave 4 | $\begin{gathered} \text { Wave } \\ 4 \end{gathered}$ | Wave | Wave 7 minus Wave 4 |
| All households.......... | $\begin{array}{r} \$ 32,455 \\ (685) \end{array}$ | $\begin{array}{r} \$ 31,637 \\ (677) \end{array}$ | \$ -818 | $\begin{gathered} \$ 8,574 \\ (1,951) \end{gathered}$ | $\begin{aligned} & \$ 78,540 \\ & (1,747) \end{aligned}$ | S -34 |
| RACE AND SPANISH ORIGIN |  |  |  |  |  |  |
| White..................... | $\begin{gathered} 38,915 \\ (798) \end{gathered}$ | $\begin{gathered} 37,472 \\ (716) \end{gathered}$ | -1443** | $\begin{array}{r} 86,153 \\ (2,222) \end{array}$ | $\begin{gathered} 86,068 \\ (1,984) \end{gathered}$ | -85 |
| Black. | 3,342 | 3,241 | -101 | 20,180 | 21,292 | 1112 |
|  | (247) | (312) |  | $(1,009)$ | $(1,360)$ |  |
| Hispanic.................. | 4,871 $(936)$ | 4,573 $(806)$ | -298 | $\begin{array}{r} 35,827 \\ (3,626) \end{array}$ | $\begin{array}{r} 33,917 \\ (3,976) \end{array}$ | -1910 |
| AGE OF HOUSEHOLDER |  |  |  |  |  |  |
| Less than 35 years...... | $\begin{aligned} & 5,622 \\ & (303) \end{aligned}$ | $\begin{aligned} & 5,129 \\ & (284) \end{aligned}$ | -493 | $\begin{array}{r} 22,548 \\ (1,076) \end{array}$ | $\begin{array}{r} 21,575 \\ (892) \end{array}$ | -973 |
| 35 to 44 years........... | 35,311 | 34,507 | -804 | 68,555 | 73,454 | 4899 |
|  | $(1,344)$ | $(1,184)$ |  | $(2,528)$ | $(4,034)$ |  |
| 45 to 54 years........... | 56,461 | 51,431 | -5030* | 114,491 | 98,046 | -16,445* |
|  | $(1,764)$ | $(1,965)$ |  | $(8,268)$ | $(5,705)$ |  |
| 55 to 64 years........... | 73,454 | 10,455 | -2999 | 132,279 | 129,686 | -2,593 |
|  | $(2,006)$ | $(2,044)$ |  | $(5,536)$ | $(5,668)$ |  |
| 65 years and over....... | $\begin{aligned} & 60,061 \\ & (1,629) \end{aligned}$ | $\begin{array}{r} 58,145 \\ (1,828) \end{array}$ | -1916 | $\begin{aligned} & 104,596 \\ & (5,239) \end{aligned}$ | $\begin{aligned} & 112,773 \\ & (4,203) \end{aligned}$ | 8,177 |
| TYPE OF HOUSEHOLD |  |  |  |  |  |  |
| Family.................... | 40,653 | 39,647 | -1006 | 90,319 | 90,394 | 75 |
|  | (904) | (874) |  | $(2,603)$ | $(2,301)$ |  |
| Married-couplé......... | $49,715$ | 48,599 | -1116 | 101,689 | 102,523 | 834 |
|  | $(1,076)$ | (1,017) |  | (3,166) | $(2,796)$ |  |
| Female householder.... | $\begin{aligned} & 5,620 \\ & 18411 \end{aligned}$ | 4,522 $(839)$ | -1098 | $\begin{aligned} & 37,379 \\ & (2,117) \end{aligned}$ | $\begin{array}{r} 35,424 \\ (2,201) \end{array}$ | -1955 |
| Male householder...... | 20,269 | 22,537 | 2268 | 66,960 | 62,711 | -4249 |
|  | $(3,351)$ | $(3,385)$ |  | $(8,097)$ | $(6,171)$ |  |
| Nonf amily................. | $\begin{aligned} & 14,295 \\ & (1,032) \end{aligned}$ | 13,650 $(928)$ | -645 | $\begin{array}{r} 47,820 \\ (1,740) \end{array}$ | $\begin{array}{r} 48,104 \\ (1,897) \end{array}$ | 284 |

Table 1. Median and Mean Household Net Worth by Selected Household Characteristics: Wave 4 and Wave 7
(In constant dollars. Standard efrors in parentheses)

| Characteristic | Median net worth |  |  | Mean net worth |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Wave | Wave | Wave 7 minus Have 4 | Wave | Wave 7 | Have 7 minus Wave 4 |
| INCOME QUINTILE |  |  |  |  |  |  |
| Lowest..................... | $\begin{aligned} & 4,119 \\ & (618) \end{aligned}$ | 3,916 (573) | -203 | $\begin{gathered} 27,802 \\ (1,273) \end{gathered}$ | $\begin{aligned} & 27,899 \\ & (1,481) \end{aligned}$ | 97 |
| Second lowest............ | 18,692 ${ }^{\circ}$ | 17,171 | -1521 | (46,499 | 43,813 | -2686 |
|  | $(1,370)$ | $(1,616)$ |  | $(1,593)$ | $(1,807)$ |  |
| Middle.................... | 24,695 | 24,673 | -22 | 53,672 | 59,307 | 5635* |
|  | (1,364) | $(1,423)$ |  | $(1,674)$ | $(2,493)$ |  |
| Second highest........... | 39,262 | 37,934 | -1328 | 72,263 | 72,895 | 632 |
|  | $(1,403)$ | $(1,322)$ |  | $(2,197)$ | $(2,055)$ |  |
| Highest.................... | 82,199 $(1,941)$ | 84,118 $(1,970)$ | 1919 | $\begin{aligned} & 173,432 \\ & (7,840) \end{aligned}$ | $\begin{aligned} & 177,128 \\ & (6,941) \end{aligned}$ | 3696 |

Income quintile groups are approximate.
-Change is statistically significant at the 95 percent confidence level. **Change is statistically significant at the 90 percent confidence level.

Table 2. Number of Househoids and Aggregate Housenold Net Worth: Wave 4 and Wave 7

| Characteristic | Number of households (000's) |  | Aggregate net worth (in billions of constant dollars) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Wave 4 | Wave 7 | Wave 4 | Wave 7 | Wave 7 <br> minus <br> Wave 4 |
| All households........... | 86,871 | 88,443 | \$6825.8 | \$6946.3 | \$120.5 |
| RACE AND SPANISH ORIGIN |  |  |  |  |  |
| White..................... | 75,419 | 76,529 | 6497.6 | 6595.3 | 97.7 |
| Black...................... | -9,515 | 9,862 | 192.0 | 210.0 | 18.0 |
| Hispanic.................. | 4,173 | 4,339 | 149.5 | 147.2 | -2.3 |
| AGE OF HOUSEHOLDER |  |  |  |  |  |
| Less than 35 years...... | 25,788 | 25,742 | 581.5 | 555.4 | -26.1 |
| 35 to 44 years........... | 17:404 | 18,162 | 1193.1 | 1334.1 | 141.0 |
| 45 to 54 years........... | 12,605 | 12,838 | 1443.2 | 1258.7 | -184.5 |
| 55 to 64 years........... | 12,924 | 13,191 | 1709.6 | 1710.7 | 1.1 |
| 65 years and over........ | 18,151 | 18,510 | 1898.5 | 2087.4 | 188.9 |
| TYPE OF HOUSEHOLD |  |  |  |  |  |
| Family.................... | 62,864 | 63,651 | 5677.8 | 5753.7 | 75.9 |
| Married-couple......... | 50,690 | 51,168 | 5154.6 | 5245.9 | 91.3 |
| Femare householder.... | 9,861 | 10,081 | 368.3 | 357.1 | -11.2 |
| Male householder...... | 2,312 | 2,402 | 154.8 | 150.6 | -4.2 |
| Nonf amily................. | 24,008 | 24,792 | 1148.1 | 1192.6 | 44.5 |
| INCOME QUINTILE |  |  |  |  |  |
| Lowest..................... | 17,374 | 17,689 | 483.0 | 493.5 | 10.5 |
| Second lowest | 17,374 | 17,689 | 807.9 | 775.0 | -32.9 |
| Middle.ero. | 17,374 | 17.689 | 932.5 | 1049.1 | 116.6 |
| Secgar-highest............ | 17,374 | 17,689 | 1255.5 | 1289.4 | 33.9 |
| Highest..................... | 27,374 | 17,689 | 3013.2 | 3133.2 | 120.0 |

Table 3. Mean Net Worth by Type of Household and Income Quintile: Wave 4 and Wave 7
(In c̣onstant dollars. Standard erpors in parentheses)

| Type of housenold, age of householder and SIPP wave | Allincomelevels | Income quintile |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Lowest | Second lowest | Midale | Second highest | Hignest |
| MARRIED-COUPLE       <br> Wave 4.......... S101,689 52,326 54,407 59,266 74,669 183,238 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | (3,166) | $(4,731)$ | $(2,706)$ | $(2,214)$ | $(2,557)$ | $(9,206)$ |
| Wave 7........... | 102,523 | 42,484 | 53,781 | 67,196 | 75,648 | 184,779 |
|  | $(2,796)$ | $(4,056)$ | $(3,491)$ | $(3,405)$ | $(2,434)$ | $(7,945)$ |
| Under 35 years: |  |  |  |  |  |  |
| Wave 4........... | $\begin{array}{r} 30,343 \\ (1,553) \end{array}$ | $\begin{array}{r} 18,504 \\ (6,679) \end{array}$ | $\begin{array}{r} 13,997 \\ (2,125) \end{array}$ | $\begin{array}{r} 19,939 \\ (1,661) \end{array}$ | $\begin{array}{r} 27,178 \\ (2,081) \end{array}$ | $\begin{array}{r} 61,909 \\ (5,321) \end{array}$ |
| Wave 7........... | 30,845 | 9,048 | 13,462 | 19,123 | 27,807 | 67,126 |
|  | $(1,449)$ | $(2,189)$ | $(1,549)$ | $(1,703)$ | $(1,960)$ | $(5,119)$ |
| 35 to 54 years: |  |  |  |  |  |  |
|  | $(5,352)$ | $(11,340)$ | (7,777) | $(3,820)$ | $(3,720)$ | $(11,296)$ |
| Wave 7. | 104,605 | 55,721 | 56,133 | 52,459 | 67,026 | 163,372 |
|  | $(4,740)$ | $(11,108)$ | $(9,964)$ | $(4,231)$ | $(3,540)$ | $(10,230)$ |
| 55 to 64 years: |  |  |  |  |  |  |
| Wave 4........... | 164,271 $(7,997)$ | $\begin{array}{r} 77,528 \\ (12,771) \end{array}$ | $\begin{array}{r} 90,780 \\ (9,330) \end{array}$ | 89,917 $(5,534)$ | 115,849 $(6,993)$ | $287,941$ $(20,506)$ |
| Wave 7 | 161,462 | (12, 77 ,445 | (93,918 | 109,482 | 114,293 | 269,943 |
|  | $(8,333)$ | $(12,378)$ | $(13,028)$ | $(12,458)$ | $(6,078)$ | $(21,011)$ |
| 65 years and over: |  |  |  |  |  | 436,525 |
| Wave 4.0.e.e.e. | $(11,295)$ | $(6,698)$ | $(3,167)$ | (6,621) | $(10,948)$ | (80,775) |
| Wave 7. | 160,444 | 38,489 | 69,950 | 137,733 | 199,255 | 455,827 |
|  | $(8,454)$ | $(3,825)$ | $(3,438)$ | $(10,177)$ | $(10,201)$ | $(47,729)$ |
| FEMALE HOUSEHOLDER |  |  |  |  |  |  |
| Wave 4...... | 44,781 | 21,652 | 42,310 | 51,090 | 78,570 | 143,098 |
|  | $(1,502)$ | $(1,038)$ | $(1,970)$ | $(3,138)$ | $(6,012)$ | $(15,652)$ |
| Wave 7. | 44,442 | 21,865 | 38,717 | 53,408 | 79,410 | 149,102 |
| Under 35 years: |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Wave 4........... | (1,421) | $(1,009)$ | $(1,093)$ | $(1,261)$ | $(2,745)$ | $(19,577)$ |
|  | 8,074 | 2,157 | 5,555 | 9,443 | 17,839 | 42,211 |
|  | $(1,081)$ | (754) | (836) | $(1,384)$ | $(3,252)$ | $(16,067)$ |

Table 3. Mean Net Worth by Type of Household and Income Quintile: Wave 4 and Wave 7--(continued)
(In constant dollars. Standard errors in parentheses)

| Type of household, age of householder and SIPP wave | All income <br> levels | Income quintile |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Lowest | Second lowest | Middle | Second highest | Hignest |
| 35 to 54 years: Wave 4............ |  |  |  |  |  |  |
|  | $\begin{gathered} 41,054 \\ (2,954) \end{gathered}$ | $\begin{aligned} & 12,934 \\ & (1,804) \end{aligned}$ | $\begin{array}{r} 25,616 \\ (3,411) \end{array}$ | $\begin{array}{r} 39,045 \\ (3,843) \end{array}$ | $\begin{array}{r} 63,799 \\ (7,798) \end{array}$ | $\begin{array}{r} 137,549 \\ (22,561) \end{array}$ |
| Wave 7. | 32,975 | 8,440 | 23,480 | 39,123 | 47,624 | 94,722 |
|  | $(2,111)$ | $(1,344)$ | $(3,512)$ | $(4,028)$ | $(5,272)$ | $(14,152)$ |
| 55 to 64 years: |  |  |  |  |  |  |
| Wave 4........... | $\begin{aligned} & 67,726 \\ & (4,725) \end{aligned}$ | $\begin{array}{r} 30,547 \\ (3,487) \end{array}$ | $(6,932)$ | $\begin{aligned} & 74,896 \\ & (9,694) \end{aligned}$ | $(18,844)$ | $(31,822)$ |
| Wave 7........... | ( 70,392 | 26,678 | 53,355 | 90,437 | 113,190 | 239,248 |
|  | $(5,107)$ | $(2,928)$ | $(6,487)$ | $(9,544)$ | $(14,247)$ | $(46,158)$ |
| 65 years and over: Wave 4........... |  |  |  | 116,133 | 190,602 | 286,882 |
|  | $(2,910)$ | $(1,737)$ | $(3,248)$ | $(8,692)$ | $(16,975)$ | $(52,578)$ |
| Wave 7........... | (11,619 | 35,576 | 77,999 | 116,539 | 197,768 | 336,788 |
|  | $(3,377)$ | $(2,091)$ | $(4,625)$ | $(9,401)$ | $(19,412)$ | $(62,715)$ |
| MALE HOUSEHOLDER |  |  |  |  |  |  |
| Wave 4........... | 48,835 | 19,132 | 33,966 | 36,356 | 49,684 | 133,977 |
|  | $(2,853)$ | $(1,943)$ | $(3,683)$ | $(4,095)$ | $(5,940)$ | $(14,209)$ |
| Wave 7:.......... | 47,788 | 29,538 | 30,166 | 40,212 | 49,077 | 125,592 |
|  | $(3,007)$ | $(5,080)$ | $(2,562)$ | $(6,926)$ | $(4,505)$ | $(15,039)$ |
| Under 35 years: |  |  |  |  |  |  |
| Wave 4............ | $\begin{gathered} 18,924 . \\ (2,648) \end{gathered}$ | $\begin{array}{r} 6,283 \\ (1,827) \end{array}$ | $\begin{array}{r} 9,360 \\ (1,903) \end{array}$ | $\begin{array}{r} 14,509 \\ (3,469) \end{array}$ | $\begin{array}{r} 18,625 \\ (3,223) \end{array}$ | $\begin{array}{r} 63,377 \\ (16,999) \end{array}$ |
| Wave 7........... | 13,737 | (1,8,640 | (1,5,361 | 12,096 | 17,840 | (37,987 |
|  | $(1,349)$ | $(2,383)$ | $(1,136)$ | (1,371) | $(2,789)$ | $(8,995)$ |
| 35 to 54 years: |  |  |  |  | 47.,777 | 117,638 |
| Waventi.......... | (5,214) | $(4,313)$ | $(6,784)$ | $(8,767)$ | $(8,296)$ | $(17,735)$ |
|  | 52,456 | 32,055 | 34,564 | 51,858 | 46,991 | (19,354 |
|  | $(6,330)$ | $(10,215)$ | $(5,818)$ | $(19,814)$ | $(5,238)$ | $(19,657)$ |

Table 3. Mean Net Worth by Type of Household and Income Quintile: Wave 4 and Wave 7--(continued)
(In constant dollars. Standard errors in parentheses)

| Type of household, age of householder and SIPP wave | Allincomelevels | Income quintile |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Lowest | Second lowest | Midde | Second highest | Hignest |
| 55 to 64 years: <br> Wave 4. |  |  |  |  |  |  |
| Wave 4........... | $\begin{array}{r} 85,694 \\ (11,059) \end{array}$ | $\begin{array}{r} 28,144 \\ (6,846) \end{array}$ | $\begin{array}{r} 65,020 \\ (13,630) \end{array}$ | $\begin{array}{r} 58,368 \\ (11,309) \end{array}$ | $\begin{array}{r} 135,394 \\ (49,255) \end{array}$ | $\begin{array}{r} 195,686 \\ (38,220) \end{array}$ |
| Wave 7. | 82,483 | 41,447 | 42,773 | 66,086 | 101,327 | 205,365 |
|  | $(10,777)$ | $(17,038)$ | $(8,053)$ | $(17,669)$ | $(26,111)$ | $(39,769)$ |
| 65 years and over: <br> Wave 4. | 90,067 | 30,438 | 68,667 | 116,933 |  |  |
|  | $(9,282)$ | $(3,676)$ | $(11,618)$ | $(17,221)$ | $(21,088)$ | $(91,559)$ |
| Wave 7........... | $93,830$ | $42,082$ | $68,106$ | 101,944 | 179,205 | 525,739 |
|  | $(9,589)$ | $(11,225)$ | $(6,811)$ | (11,389) | $(27,227)$ | $(88,702)$ |

Table 4. Sum of Imputed Values as a Percent of Total Values: Selected Assets

| Asset | Wave 4 | Wave 7 |
| :---: | :---: | :---: |
| Stocks and mutual <br> fund shares............... | 38.3 | 39.0 |
| Own business. | 38.7 | 49.9 |
| Own home..................... | 18.7 | 16.8 |
| Rental property............ | 28.9 | 27.8 |
| Other real estate.......... | 18.6 | 14.9 |
| IRA ........................ | 18.3 | 19.2 |

Table 5. Median Household Net Worth in Wave 4 and Wave 7 by Whether Household Was in Feedback Sample in Wave 7
. (In constant dollars. Standard errors in parentheses)

| Characteristic | In feedback sample in Wave 7 |  |  | Not in feedback sample in Wave 7 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Wave | Have 7 | Wave 7 min nus Wave 4 | Wave | Wave | Wave 7 <br> minus <br> Wave 4 |
| All households.......... | 32,944 | 32,357 | -587 | 32,048 | 30,890 | -1158 |
| RACE AND SPANISH ORIGIN |  |  |  |  |  |  |
| White.................... | 39,268 | 37,557 | -1711 | 38,533 | 37,388 | -1145 |
| Black..................... | 3,661 | 3,418 | -243 | 3,112 | 3.137 | 25 |
| Hispanic.................. | 7,477 | 7,863 | 386 | 2,926 | 2,963 | 37 |
| AGE OF HOUSEHOLDER | - | - |  |  |  |  |
| Less than 35 years...... | 5,719 | 5,516 | -203 | 5,544 | 4,781 | -763 |
| 35 to 44 years........... | 34,389 | 33,279 | -1110 | 36,044 | 35,674 | -370 |
| 45 to 54 years:.......... | 55,166 | 49,881 | -5285 | 57,457 | 52,450 | -5007 |
| 55 to 64 years........... | 73,065 | 72,658 | -407 | 73,901 | 67,298 | -6603 |
| 65 years and over....... | 62,763 | 59,019 | -3744 | 57.427 | 57,280 | -147 |
| TYPE OF HOUSEHOLD |  |  |  |  |  |  |
| Family.................... | 40,800 | 39,694 | -1106 | 40,523 | 39,597 | -926 |
| Married-couplearón... | 49,273 | 46,916 | -2357 | 50,121 | 50,076 | -45 |
| Female houscholder.... | 6,041 | 5,941 | -100 | 5,350 | 4,105 | -1245 |
| Male householder...... | 19,612 | 22,031 | 2419 | 20,718 | 22,769 | 2051 |
| Nonfamily................. | 15,996 | 14,977 | -1019 | 12,702 | 11,620 | -1082 |

Table 5. Median Household Net Worth in Wave 4 and Wave 7 by Whether Household Was in Feedback Sample in Wave 7
(In constant dollars. Standard errors in parentheses)

| Characteristic | In feedback sample in Wave 7 |  |  | Not in feedback sample in Wave 7 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Wave | Wave 7 | Wave 7 minus Have 4 | Wave | Wave | Wave 7 minus Wave 4 |
| Income quintile |  |  |  |  |  |  |
| Lowest.................... | 4,380 | 4,738 | 358 | 3,932 | 3,271 | -661 |
| Second lowest............ | 20,083 | 20,602 | 519 | 17,393 | 13,987 | -3,406 |
| Middle.................... | 26,278 | 24,580 | -1,698 | 23,192 | 24,720 | 1,528 |
| Second highest........... | 37.706 | 35,700 | -2,006 | 40,588 | 40,015 | -573 |
| Highest.................... | 85,008 | 86,170 | 1,162 | 80,078 | 82,346 | 2,268 |

Table 6. Mean Household Net Worth in Wave 4 and Wave 7 by Whether Household Was in Feedback Sample in Wave 7

| Characteristic | In feedback sample in Wave 7 |  |  | Not in feedback sample in Wave 7 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Wave | Wave | Wave 7 <br> minus <br> Have 4 | Wave 4 | Wave 7 | Wave 7 <br> minus <br> Wave 4 |
| All households........... | 80,025 | 79,161 | -864 | 77,223 | 77,964 | 741 |
| RACE AND SPANISH ORIGIN |  |  |  |  |  |  |
| White. | 87,573 | 86,059 | -1,514 | 84,834 | 86,075 | 1,241 |
| Black..................... | 19,945 | 24,609 | 4,664 | 20,397 | 18,383 | -2,014 |
| Hispanic.................. | 35,982 | 39,320 | 3,338 | 35,662 | 28,128 | -7,534. |
| RACE AND SPANISH ORIGIN |  |  |  |  |  |  |
| Less than 35 years...... | 22,247 | 22,683 | 436 | 22,832 | 20,565 | -2,267 |
| 35 to 44 years........... | 65,930 | 66,245 | 315 | 70,793 | 79,674 | 8,881 |
| 45 to 54 years | 118,462 | 103,397 | -15,065 | 110,883 | 93,274 | -17,609 |
| 55 to 64 years........... | 130,773 | 127,859 | -2,914 | 133,770 | 131,494 | -2,276 |
| 65 years and over....... | 111,240 | 115,478 | 4,238 | 98,155 | 110,075 | 11,920 |
| TYPE OF HOUSEHOLD |  |  |  |  |  |  |
| Family.................... | 93,241" | 91,068 | -2,173 | 87,646 | 89,784 | 2,138 |
| Married-couple......... | 104,257 | 102,039 | -2,218 | 99,319 | 102,969 | 3,650 |
| Female householder..... | 39,338 | 38,912 | -426 | 35,591 | 32,479 | -3,112 |
| Male househotéri....... | 76,000 | 65,141 | -10,859 | 59,083 | 60,673 | 1,590 |
| Nonfamily................. | 46,549 | 49,895 | 3,346 | 49,060 | 46,341 | -2,719 |

Table 6. Mean Household Net Worth in Wave 4 and Wave 7 by Whether Household Was in Feedback Sample in Wave 7

| Characteristic | In feedback sample in Wave 7 |  |  | Not in feeaback sample in Wave 7 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Wave | Wave | Wave 7 <br> minus <br> Wave 4 | Wave | Wave | Wave 7 minus Wave 4 |
| InCOME QUINTILE |  |  |  |  |  |  |
| Lowest. | 26,100 | 29,552 | 3,452 | 29,449 | 26,233 | -3,216 |
| Second lowest. | 45,171 | 43,717 | -1,454 | 47,766 | 43,904 | -3,862 |
| Middle. | 54,167 | 58,362 | 4,195 | 53,214 | 60,150 | 6,936 |
| Second highest........... | 71,064 | 70,406 | -658 | 73,317 | 75,065 | 1,748 |
| Highest.................... | 185,715 | 182,931 | -2,784 | 165,794 | 171,703 | 5,909 |

Table 7. Percent Distribution of Aggregate Income and Aggregate Net Worth Among Selected Household Groups: Wave 4 and Wave 7

| Characteristic | Aggregate Income |  | Aggregate net worth |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Wave 4 | Wave 7 | Wave 4 | Wave 7 |
| All nouseholds........... | 100.0 | 100.0 | 100.0 | 100.0 |
| Race and spanish origin |  |  |  |  |
| White..................... | 90.5 | 90.1 | 95.2 | 94.9 |
| Black..................... | 7.0 | 7.4 | 2.8 | 3.0 |
| Spanish origin........... | 3.8 | 3.7 | 2.2 | 2.1 |
| AGE OF HOUSEHOLDER |  |  |  |  |
| Less than 35 years...... | 26.1 | 24.8 | 8.5 | 8.0 |
| 35 to 44 years........... | 24.4 | 24.6 | 17.5 | 19.2 |
| 45 to 54 years........... | 19.3 | 18.8 | 21.1 | 18.1 |
| 55 to 64 years........... | 16.9 | 18.0 | 25.0 | 24.6 |
| 65 years and over....... | 13.2 | 13.7 | 27.8 | 30.1 |
| TYPE OF HOUSEHOLD |  |  |  |  |
| Family.................... | 83.1 | 82.8 | 83.2 | 82.8 |
| Married-couple........ | 73.2 | 73.1 | 75.5 | 75.5 |
| Female houscholder... | 7.2 | 7.0 | 5.4 | 5.1 |
| Male hous eholder..... | 2.7 | 2.7 | 2.3 | 2.2 |
| Nonf ami ly................. | 16.9 | 17.2 | 16.8 | 17.2 |
| INCOME QUINTILE |  |  |  |  |
| Lowest..................... | 4.1 | 4.0 | 6.7 | 6.8 |
| Second lowest............. | 9.9 | 9.8 | 11.5 | 10.6 |
| Middle.................... | 15.8 | 15.3 | 12.7 | 14.2 |
| Second highest............ | 23.1 | 22.8 | 18.6 | 20.0 |
| Highest........................ | 47.2 | 48.1 | 49.8 | 48.4 |

Table 8. Percent of Households Owning and Mean and Aggregate Value of Asset by Type Wave 4 and Wave 7
(In constant dollars)

| Asset type | Percent of households owning |  | Mean net value of asset |  | Aggregate net value of asset (in billions) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Wave 4 | Wave 7 | Wave 4 | Wave 7 | Wave 4 | Wave 7 |
| Interest earning assets at financial institutions ${ }^{1}$.... | 71.8 | 71.2 | \$15,806 | \$15,788 | \$985.3 | S993.4 |
| Other interest earning assets ${ }^{2}$.. | 85.5 | 84.8 | 28,946 | 32,051 | 212.9 | 265.0 |
| Regular checking accounts....... | 53.9 | 52.8 | 922 | 865 | 43.2 | 40.4 |
| Stojeks and mutual fund shares ${ }^{3}$.. | 20.0 | 19.8 | 26,834 | 29,762 | 466.8 | 521.9 |
| Own business or profession ${ }^{4}$..... | 12.9 | 12.5 | 63,012 | 59,731 | 705.5 | 660.4 |
| Motor vehicles. | 85.5 | 84.8 | 5,442 | 5,099 | 404.0 | 382.6 |
| Own home. | 64.3 | 64.1 | 50,475 | 51,692 | 2818.6 | 2932.3 |
| Rental property................... | 9.8 | 9.3 | 71,982 | 68,555 | 610.3 | 563.0 |
| Other real estate................. | 10.0 | 10.2 | 34,437 | 35,185 | 298.6 | 317.4 |
| U.S. savings bonds................ | 15.0 | 14.9 | 2,490 | 2,214 | 32.5 | 29.2 |
| IRA or KEOGH accounts............. | 19.5 | 21.6 | 8,877 | 10,015 | 150.6 | 191.1 |
| Other financial assets ${ }^{5}$.......... | 7.0 | 6.5 | 55,788 | 50,924 | 337.1 | 292.7 |
| ADDE NDUM: <br> Unsecured debt. | 67.1 | 61.5 | 4,123 | 4,493 | 240.5 | 244.5 |

Includes passbook savings accounts, money market deposit accounts, certificates of deposit, and interest earning checking accounts.
IIncludes money market funds, U.S. government securities (other than savings bonds), municipal or corporate bonds, and other interest earning assets (other than mortgages held).
3Excludes stock held in own company by self-employed persons.
4 includes value of corporate stock for persons employed by self-owned corporations. The value of this stock was 271.1 billion in wave 4 and 229.8 billion in wave 7: For purposes of comparisons with flow of Funds data, these values should be added to "stocks and smatehed fund shares" and subtracted from "own business or profession."
Includes mortgages held from sale of real estate, amount due from sale of business, unit trusts, and other financial investments.

Table 9. Flow of Funds Estimates of Household and Nonprofit Sector Net Worth: 1984:4 and 1985:4
(In constant dollars)

| Characteristic | Value of asset or liability(in billions) |  |  | Value of asset or liability perbousehold |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1984:4 | 1985:4 | Difference | 1984:4 | 1985:4 | Difference |
| A. Equity in own home...... | \$1,927.5 | \$1,810.8 | -\$116.7 | \$22,188 | \$20,474 | -51,714 |
| B. Equity in motor vehicles.................. | 473.3 | 511.8 | 38.5 | 5,448 | 5,787 | 339 |
| C. Deposits and credit <br> . market instrumentsl.... | 3,321.0 | 3,557.9 | 236.9 | 38,229 | 40,228 | 1,999 |
| D. Corporate equities ${ }^{1} . . .$. . | 1,493.0 | 1,880.7 | 387.7 | 17,186 | 21,265 | 4,079 |
| E. Equity in noncorporate businessl. $\qquad$ | 2,510.8 | 2,396.0 | -114.8 | 28,903 | 27,091 | -1,812 |
| F. Consumer debt excluding mortgages and automobile debtl. $\qquad$ | 512.4 | 571.0 | 58.6 | 5,898 | 6,456 | 558 |
| G. (Sum of A-E, minus F)... | 9,213.2 | 9,586.2 | 373.0 | 106,056 | 108,388 | 2,332 |
| ADDE NDUM |  |  |  |  |  |  |
| Pension fund reserves.... | 1,435.3 | 1,659.0 | 223.7 | 16,522 | 18,758 | 2,236 |

Includes amounts held in personal trusts and by nonprofit organizations.
Table 10. Miteched Housenolds: Change in Met Morth From Mave 4 to Mave 7 by Imputation Status and, by Change in Composition Status of the Household
(In current dollars)

| Characteristic | $\left\lvert\, \begin{gathered} \text { Mumber } \\ \left(000^{\prime} \mathrm{s}\right) \end{gathered}\right.$ | Percent with specified change in net worth from mave 4 te mave 7 |  |  |  |  |  |  | $\left\lvert\, \begin{array}{r} \text { Mean } \\ \text { difference } \\ \text { between } \\ \text { wave } \\ \text { and } \\ \text { ave } \end{array}\right.$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Decrease |  |  | Decrease or Increase: less than 81.000 | Increase |  |  |  |
|  |  | $\left\lvert\, \begin{aligned} & \$ 10,000 \\ & \text { or more } \end{aligned}\right.$ | $\left\|\begin{array}{l} 85,000 \\ 80 \\ 89,999 \end{array}\right\|$ |  |  | $\left\|\begin{array}{l} \$ 1,000 \\ 80 \\ 84,999 \end{array}\right\|$ | $\left\|\begin{array}{c} \$ 5.000 \\ \mathbf{t 0} \\ \$ 9,999 \end{array}\right\|$ | $\begin{aligned} & 810,000 \\ & \text { or en ere } \end{aligned}$ |  |
| WO IMPUTATIOM <br> Jotal........................ | 34,300 | 14.6 | 3.9 | 13.2 | 22.8 | 15.3 | 8.3 | 19.9 | \$2,686 |
| Mo change in composition harried couple finilly...... | 16,556 | 15.0 | 6.5 | 12.9 | 13.4 |  |  |  |  |
| Female fanlly houlseholder. | 3,451 | 6.9 | 2.5 | 11.3 | 49.1 | 15.3 15.6 | 10.2 5.7 | 26.7 8.9 | 5,329 2,224 |
| Male fanlly mouseholder.... | 615 | 7.2 | 2.1 | 10.1 | 30.2 | 15.6 | 12.2 | 22.0 | 5,947 |
| Monfanily householder...... | 9,181 | 11.3 | 5.8 | 13.5 | 32.1 | 15.7 | 1.0 | 14.6 | 2,361 |
| Change in composition Married, husband present In wave 4: |  |  |  |  |  |  |  |  |  |
| Widowed in wave 7...... Separated or divorced | 155 | 27.6 | 9.1 | 0.0 | 1.7 | 18.8 | 4.0 | 32.2 | 12,593 |
| In wave 7.............. | 380 | 21.3 | 8.1 | 29.1 | 16.8 | 11.9 | 4.1 | . 9 | -11.481 |

Table 10. Matched Mouscholds: Change Ia Met Morth Frem Mave 4 to Mave 1 by Imputation Status (In current collars)

| Characteristic |  | Percent with specified change in net morth Prem wave 4 to mave 1 |  |  |  |  |  |  | $\left\lvert\, \begin{array}{r} \text { Mean } \\ \text { difference } \\ \text { between } \\ \text { mave } 4 \\ \text { and } \\ \text { wave ? } \end{array}\right.$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Decrease |  |  |  | Increase |  |  |  |
|  | $\begin{gathered} \text { mamer } \\ \left(000^{\circ} \mathrm{s}\right) \end{gathered}$ | $\begin{aligned} & \$ 10,000 \\ & \text { or more } \end{aligned}$ | $\left\|\begin{array}{l} 85.000 \\ \text { to } \\ 89,999 \end{array}\right\|$ | $\left\lvert\, \begin{gathered} 81,000 \\ 80 \\ 84,999 \end{gathered}\right.$ |  | $\left\|\begin{array}{l} 81,000 \\ 84,999 \end{array}\right\|$ | $\left\lvert\, \begin{aligned} & 85,000 \\ & 80 \\ & 89.999 \end{aligned}\right.$ | \$10,000 or more |  |
| some imputation <br> Tetal.............. | 60,672 | 30.4 | 6.2 | 0.1 | 0.1 | 9.0 | 6.2 | 31.8 | -838 |
| No change In cempositicon Warryer-couple tanlly....... | 21.726 | 28.9 | 5.6 | 7.3 | 5.6 | 0.2 | 6.6 | 37.6 | 6,962 |
| Female fani ly mousenolder | 3.534 | 26.0 | 6.0 | 10.9 | 17.1 | 11.7 | 4.6 | 23.1 | 2.593 |
| Male fanily mouscholder | -923 | 30.9 | 6.4 | 0.6 | 6.9 | 9.1 | 9.1 | 21.6 | -23,240 |
| Monfanlly houscholder | 9,605 | 21.5 | 1.8 | 0.9 | 12.8 | 10.1 | 6.6 | 26.4 | 3.462 |
| Change In compesition <br> iarried, musban present In mave 4: |  |  |  |  |  |  |  |  |  |
| Mldemed in mave I...... | 248 | 34.8 | 2.9 | 11.4 | 12.2 | 3.8 | 8.4 | 26.4 | -8.499 |
| In mave 7............... | 514 | 39.4 | 4.4 | 18.3 | 0.4 | 12.5 | 4.6 | 12.5 | -46.151 |

(B) Dase less than 200,000.
Teble 10. Mafched Households: Change in Met Morth From Mave 4 to Mave 1 by Imputation Status ans, by Change in Composition Status of the Houschold--(continued) (In current dollars)

| Characteristic |  | Percent with specified change in net morth Prem mave 4 to mave 1 |  |  |  |  |  |  | Meandifference between wave 4 and wave 1 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Decrease |  |  |  | Increase |  |  |  |
|  | $\begin{gathered} \text { Mamber } \\ \left(000^{\prime} s\right) \end{gathered}$ | $\left\lvert\, \begin{aligned} & \$ 10,000 \\ & \text { or exere } \end{aligned}\right.$ | $\left\|\begin{array}{c} 85,000 \\ t 0 \\ 89,999 \end{array}\right\|$ | $\left\|\begin{array}{c} 81,000 \\ 10 \\ 84,999 \end{array}\right\|$ |  | $\left\|\begin{array}{c} \$ 1,000 \\ \text { to } \\ \$ 4,999 \end{array}\right\|$ | $\left\|\begin{array}{c} 85,000 \\ 10 \\ 89,999 \end{array}\right\|$ | $\left\|\begin{array}{l} \$ 10,000 \\ \text { or more } \end{array}\right\|$ |  |
| mo immtation |  |  |  |  |  |  |  |  |  |
| Income rulatile in Mave 1 |  |  |  |  |  |  |  |  |  |
| lowest....... | 0.538 | 7.2 | 4.8 | 11.5 | 49.5 | 13.0 | 5.1 | 8.9 | 2,050 |
| Second lavest................ | 7.225 | 12.0 | 6.0 | 15.2 | 23.9 | 20.5 | 1.6 | 14.8 | 3.485 |
| Middle........................ | 6.828 | 10.6 | 6.3 | 11.2 | 13.8 | 18.3 | 10.2 | 19.1 | 2.164 |
| Second Mighest............... | 6.511 | 19.7 | 6.5 | 12.8 | 9.1 | 14.1 | 11.0 | 26.2 | 2.422 |
| M1 ghest........................ | 5,213 | 24.2 | 6.3 | 0.1 | 5.6 | 9.4 | 8.6 | 37.3 | 3,634 |

Taole 12. Matened Households: man Met Worth in Mave 4 and Mave 7 by Imputation Status and Selected. Mousenold Characteristics
(In euprent collars. Standart eprops in parentheses)

| Chapactepistic | Mo items imputed in elther mave 4 or meve 7 |  |  |  | One or more items imputed in eitner Mave 4 or Mave? |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\left\|\begin{array}{c} \text { number } \\ (000 ' s) \end{array}\right\|$ | man net morth |  |  | $\left\|\begin{array}{c} \text { Muber } \\ (000 ' s) \end{array}\right\|$ | Mean net morth |  |  |
|  |  | Mave 4 | Mave 7 | Mave 7 <br> minus <br> Have 4 |  | Heve 4 | Mave 7 | Mave 7 ninus Mave 4 |
| All mouseholds................ | 34,380 | $\begin{array}{r} 819.754 \\ (539) \end{array}$ | 852,440 <br> (568) | \$2,686 | 50,671 | $\begin{array}{r} 5101,118 \\ (1,326) \end{array}$ | $\begin{gathered} 5101,080 \\ (1,116) \end{gathered}$ | . 538 |
| composition cranes status |  |  |  |  |  |  |  |  |
| Mo enange in cempestition: Marpted-couple fantly...... | 16,556 | 66,493 | $\begin{array}{r} 71.821 \\ (967) \end{array}$ | 5,328 | 27.726 | 122,946 $(2,232)$ | $\begin{aligned} & 129,908 \\ & (1,052) \end{aligned}$ | 6,962 |
| Femele featly nousenolder. | 3,451 | 28,174 (770) | 20,397 (961) | 2,223 | 3,534 | 53,450 $(1,656)$ | $\begin{aligned} & 56,042 \\ & (1.995) \end{aligned}$ | 2,592 |
| Male fantly houscholder... | 615 | 37.283 | 43,229 | 5,946 | 923 | 105.721 | 82,481 | -23,240 |
| Monfanly househalder...... | 9,187 | $(2,599)$ 36,249 | ' 2,578$)$ 38,609 | 2,360 | 9,605 | (7,543) 63,945 | (4,795) | 3,462 |
| Monfanly housamalder..... | 0. 2 | (788) | (874) |  | 9.605 | (1.155) | (1.507) | 3,402 |
| Change in cemposition: Mapried, busband |  |  |  |  |  |  |  |  |
| Midemed in mave 7....... | 155 | 115,456 | 128,049 | 12,593 | 248 | 95,169 | 86,670 | -8,499 |
| Separated or |  | (17,856) | $(23,455)$ |  |  | $(8,010)$ | (8,611) |  |
| divoreed in mave 7.... | 380 | $\begin{aligned} & 27,076 \\ & (1,501) \end{aligned}$ | $\begin{aligned} & 15,594 \\ & (1,196) \end{aligned}$ | -11.482 | 514 | $\begin{aligned} & 78,352 \\ & (6,768) \end{aligned}$ | $\begin{aligned} & 32,201 \\ & (2,526) \end{aligned}$ | -46,151 |
| Race and spantsn oricim |  |  |  |  |  |  |  |  |
| White.e......................... | 29,582 | 54,883 | 58,084 | 3,201 | 44.268 | 110,202 | 109,676 | -526 |
| 81ack............................ | 4.072 | $(607)$ 11,853 | (643) | -291 | 5,282 | $(1,505)$ 25,919 | (1,257) | 4.749 |
| -1**........................... | 4.072 | (472) | (489) | -29 | 5.202 | (548) | (1,136) | 4.749 |
| Hispante........................ | 1.932 | $\begin{gathered} 18,513 \\ (1,192) \end{gathered}$ | $\begin{array}{r} 20,030 \\ (1,227) \end{array}$ | 1.517 | 2,184 | 48,417 | 41,396 | -21 |

Table 11. Matcned mouseholds: Mean Net Worth in Have 4 and wave 7 by laputation Status and Selectet Mousenold Characteristics-o(Contimued)
(In curpent dollars. Standard erpors in parentheses)


Table 12. Savings Regression Results for Savings Regression Model

| Independent variable | Coefficient |  |
| :---: | :---: | :---: |
|  | Value | Standard erpor |
| Wave 4 Net Worth. ......... | -. 15* | 0.01 |
| Wave 4 income level....... | 4.55* | 0.43 |
| Change in income...i...... | 6.35 | 0.44 |
| Age of Householdert |  |  |
| Less than 35 years...... | -15301.94* | 2271.51 |
| 35 to 44 years........... | -12055.77* | 2481.98 |
| 45 to 54 years........... | -4477.93 | 2799.11 |
| 65 years and over.....3. | 273.76 | 2407.95 |
| Marrigd, spouse present ${ }^{\circ}$. | 2639.80 | 1479.36 |
| Black ${ }_{3}^{3}$...................... | -4261.40 | 2178.16 |
| Other ${ }^{\text {a }}$. | -936.43 | 4826.76 |
| Spanish4................... | -2427.58 | 3014.06 |
| Constant................... | 9435.24 |  |

$R^{2}=.08$

Significant at the . 05 significance level.
${ }^{1}$ Control group is 55 to 64 years of age.
${ }_{3}$ Control group is other than mapried, spouse present.
${ }^{3}$ Control group is white.
${ }^{4}$ control group is nonSpanish.

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