Debt service can crowd out savings: LIMRA

By Editorial Staff *Wed, Aug 27, 2014*

Advisors with clients in their 40s need to know how heavy a debt load they are carrying, LIMRA said in a release.

American households in the 41-45 age group have an average of $158,887 in financial assets, while those in the 46-49 age group average $167,556, according to the LIMRA Secure Retirement Institute's *Fact Book on Retirement Income 2014*.

LIMRA tracked the liabilities as well as the assets of these groups. Among the 41-45 age group:

- 97% have a mortgage and an average mortgage debt of $166,921.
- Beyond mortgage and credit card debt, 65% have on average $26,384 of other types of debt (car loans, student loans, personal loans, etc.).

Among ages 46-49:

- 84% have a mortgage with an average mortgage debt of $209,342.
- 71% have on average $50,654 of other debt, as defined above.

Advisors with clients in their 40s need to know what kind of debt load they are carrying, LIMRA said in a release. If these key saving years are dedicated to servicing high debt, clients will lose a significant opportunity for long-term growth in their retirement accounts.