
Less debt for near-elderly households: EBRI

By Editorial Staff Thu, Mar 22, 2018

'Families with a near-elderly head show a pattern of stubbornly higher indebtedness than in past generations—specifically those in the 1990s,' the EBRI said.

The debt levels of households with a “near-elderly” head of household—i.e., someone 55 to 64 years old—have improved since the Great Recession, according to a review of the Federal Reserve’s Survey of Consumer Finances (SCF) by the Employee Benefit Research Institute (EBRI).

But this group still carries more debt, on average, than families headed by people 65 or older, the EBRI said in a new [issue brief](#).

“As with many of the families with elderly heads (those ages 65 or older) examined in the SCF, the families with a near-elderly head show a pattern of stubbornly higher indebtedness than in past generations—specifically those in the 1990s,” the EBRI said. The non-partisan research group found that:

- More than three-quarters of families with a near-elderly head held debt in 2016 (77.1%). While this level represents a downward trend from 81.7% in 2007, it remains higher than the proportion in 1992 (71.4%). The family head age cohort with the next highest percentage with debt were families with heads ages 65-74, where the percentage with debt ranged from 51.5% in 1992 to 70.1% in 2016.
- As with families with elderly heads, the families with near-elderly heads have seen their debt levels decline as a percent of their assets since 2010—from 10.7% to 8.4% in 2016.
- Total debt payments as a percentage of income of families with near-elderly heads has been trending down since 2007. It is at its lowest level since 1992, at 9.1% in 2016. However, this level is still higher than that of families with older heads, which range from 6.0% to 7.9%.

The proportion of families with a near-elderly head with debt payments that are greater than 40% of their income is also down substantially since 2007 (8.5% in 2016 vs. 12.5% in 2007). This cohort is more likely to have debt payments in excess of 40% of income than family cohorts with older heads, however.

- 41% of families with heads ages 55-64 had credit card debt in 2016. That’s well below the peak level of 50% in 2007 but higher than in 1992, when it was 37%.
- The median credit debt for families with heads ages 55-64 decreased significantly in

2016 from \$4,168 in 2007 to \$2,800 in 2016. However, this is still higher than the 1992 level of \$1,676, and higher than for families with heads ages 65 or older.

The EBRI report, “Debt of the Elderly and Near Elderly, 1992-2016” is published as the March 2018 EBRI Issue Brief, and is available online.

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