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## **Wealth protects health—but not permanently: EBRI**

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By Editorial Staff    *Thu, Apr 23, 2015*

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*Among Americans who died at or above age 85, 20.6% had no non-housing assets, according to the Employee Benefits Research Institute. Among single people who died at those ages, 24.6% had no non-housing assets left.*

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Thanks to Social Security and private pensions, few people in American die without a monthly income. But what percentage of Americans die without any assets, or with no assets, financial or otherwise, except the roofs over their heads?

“Not much is known about the actual percentages of current retirees that ran out of money,” observes a new research paper from the Employee Benefit Research Institute. [But] this information is crucial to benchmark the relative success or failure of future retirees.”

It turns out that about one in five people who died at age 85 or later had no non-housing assets. Among single people, the percentage was close to one in four, according to data on about 1,200 participants in the University of Michigan’s ongoing Health and Retirement Study who were alive for the 2010 survey but not for the 2012 follow-up.

People who died at younger ages were even more likely to be in this situation.

“Households which lost family members at relatively younger ages were also the households with lower asset holdings and lower income. Singles who died relatively early were in much worse financial condition than couples,” an EBRI release said.

Given the fact that 20% or more of Americans tend to accumulate few if any financial assets during their lifetimes, it might be expected that even more than 20% would have no financial assets at death.

The data also showed that people who die at younger ages tend to have significantly lower incomes than those who live longer. But either because wealth differences between survivors gradually shrink or because wealth eventually loses its protective effect, the gap in income between survivors and decedents is narrower at later ages.

Among the major findings published in the EBRI report (The full report, “A Look at the End-of-Life Financial Situation in America,” is published in the April 2015 *EBRI Notes*, online at [www.ebri.org](http://www.ebri.org)):

- For those who died at or above age 85, 20.6% had no non-housing assets and 12.2%

had no remaining assets.

- Among singles who died at or above age 85, 24.6% had no non-housing assets left and 16.7% had no assets left.
- 29.8% of households that lost a member between ages 50 and 64 had no assets left.
- People who died earlier also had significantly lower household income than households with all surviving members.
- Among singles who died at ages 85 or above, 9.1% had outstanding debt (other than mortgage debt) and the average debt amount was \$6,368.
- The average net equity left in their primary residence for those who died at ages 85 or above was \$141,147 and \$83,471 for couple and single households, respectively.

The EBRI report looks at the financial situation of older Americans at the end of their lives and documents their income, debt, home-ownership rates, net home equity, and dependency on Social Security. The data for this study came from the University of Michigan's Health and Retirement Study (HRS).

The study sample included 1,189 individuals who responded to the 2010 surveys and died before the 2012 surveys. All the asset and debt numbers reported here are from 2010, when the participants were last interviewed before death. The income reported in 2010 corresponds to the 2009 calendar year income.

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