

Wealth

The State of Working America 2004/2005 chronicles the challenge of middle and lower income families to accumulate financial assets like bank accounts, stocks, bonds and homes and tracks the distribution of that wealth. The most recent data, with a few exceptions, come from 2001 – at the close of the late ‘90s boom. The facts and figures below show how working families were faring in their pursuit of economic security at this high-water mark.

Net Worth	<ul style="list-style-type: none">❖ In 2001, 20% of all income went to the top-earning 1% of households, which held 33.4% of all net worth. The 90% of households with the lowest incomes received 54.8% of all income but had only 28.5% of all net worth.❖ Since 1983, the top 1% of wealth holders consistently owned more than 30% and the bottom 80% held less than 16% of all wealth from 1983 to 2001.❖ In 2001, the top fifth of households held 84.4% of all wealth; the middle fifth held only 3.9% -- the smallest share since 1962. The bottom fifth had negative net worth -- owing more than they owned.❖ In 2001, 17.6% of all households had a zero or negative net worth; just over 30% had a net worth of less than \$10,000.❖ Net worth among the poorest households remains negative, but less so, moving from -\$20,000 in 1989 to -\$8,200 in 2001.❖ Average wealth grew by \$2.8 million from 1989 to 2001 for the top 1% of households – a 2.1% annual increase. For the middle 20%, average wealth increased \$11,100 – or 1.3% per year.❖ From 1989-2001, median household wealth grew 1.2% per year, not quite as fast than the growth from 1962-83 (1.6%).❖ For the past 40 years, approximately 80% of all wealth has been held by 20% of households.❖ In 2001, more than twice as many black households (31%) as white households (13%) had zero or negative net worth.
Stock Ownership	<ul style="list-style-type: none">❖ The top 1% of stock owners hold 44.9% of all stocks, by value, while the bottom 80% own just 5.8% of total stock holdings.

	<ul style="list-style-type: none"> ❖ About 48% of households own no stock and another 11.8% have less than \$5,000 in stock. ❖ Stock ownership was not evenly distributed. From 1998-2001, holdings increased 30.1% for the top 1% and 61.8% for the next 9% of households. But for the next 20% of households, stock holdings grew by only 20%. For the bottom 40%, there was no increase at all. ❖ Households with annual incomes of \$100,000 or more control 69% of all stock. ❖ About 75% of the stock market growth from 1989-2001 went to the wealthiest 10% of households.
Home Ownership	<ul style="list-style-type: none"> ❖ In 2003, over two-thirds of households owned their own homes. The rate was 72.1% for whites, 48.1% for blacks and 46.7% for Hispanics. ❖ From 1989-2001, home ownership increased 4.8% among blacks, 7% among Hispanics and 2.2% for whites. ❖ In 2001, the total value of non-stock assets – mostly housing equity – held by the middle 20% of Americans was \$113,500. This is more than 9 times larger than this group’s stock holdings (which average \$12,000). ❖ About 88% of households in the top 25% of the income distribution were homeowners. Compare that to the bottom 25%, where just half of the households were homeowners.
Debt and Hardship	<ul style="list-style-type: none"> ❖ In 2001, households with annual incomes of \$90,000-\$100,000 spent 8% of their income meeting minimum-required debt payments. ❖ But those with much lower incomes had a comparatively bigger debt burden. Those with less than \$40,000 in annual income spent a little more than 15% of that income on debt payments. Households with incomes between \$40,000 and \$89,999 paid the highest share of income – over 16% – to service household debt. ❖ In 2001, one in 14 households was 60 days or more late in paying at least one bill. ❖ In 2003, more than seven of every 1,000 adults declared personal bankruptcy. ❖ In 2002, minimum debt payments totaled about 14% of all disposable household income, and about half of these payments were for consumer debt.
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