

What Does the GAO Say About Debt and the Retirement Security of Older Americans?

Source & Link: United States Government Accountability Office, "[Retirement Security: Debt Increased for Older Americans Over Time, Implications Vary by Debt Type](#)," April 2021

- ✓ The Census Bureau projects that from 2010 to 2050, the number of Americans aged 65 and older will more than double, from 40.2 million to an estimated 88.5 million (p. 1).
- ✓ The percentage of older household with debt increased from 58 percent in 1989 to 71 percent in 2016. Debt types include primary or secondary home, credit card, student loan, vehicle, and other debt (p. 10). From December 2009 to December 2019, the total outstanding debt held by individuals 50 or older increased from \$6.0 trillion to \$6.5 trillion. Individuals 50 or older held nearly half of the total debt outstanding in 2020 (pp. 1–2).
- ✓ The median amount of debt for older households with debt was about three times higher in 2016 (\$55,300) than in 1989 (\$18,900). For older households with home debt, the median debt amount also was about three times higher in 2016 (\$93,600) than in 1989 (\$30,600), while the median ratio of home debt to home value doubled (pp. 10–14).
- ✓ The share of households aged 60 or older with home debt was 15–20 percent higher and the share aged 70–74 with credit card debt was 20 percent higher in 2016 than in 1989. The share of delinquent credit card and student loan debt was often higher for those aged 75–79 than those aged 50–74 between 2003 to 2019 (p. 19).
- ✓ Median credit card debt for older individuals with credit card debt was higher in almost all states and student loan debt for older individuals with student loan debt was higher in all states and the District of Columbia in 2019 than in 2003 (p. 27).
- ✓ Households aged 65 and older with student loan debt were significantly more likely to have student loan debt for a child (68 percent) rather than for themselves or their spouses (32 percent). Experts described the trend of parents helping their children with student loans as having the potential to affect whether those older households can save for their own retirement if they are now paying their children’s loans instead (p. 45).
- ✓ Older Black households were twice as likely to have student loan debt in 2016 than White households. In 1989, 3 percent of older White and Black households had student loan debt, but by 2016, 8 percent of White households and 16 percent of Black households had student loan debt (p. 48).
- ✓ Divorce or the death of a spouse could reduce retirement security, and the impact of surviving a deceased spouse is more likely to fall on women. Spousal caregivers age 59–66 had lower levels of retirement assets (IRAs and non-IRAs), and women who were spousal caregivers had lower levels of Social Security income (p. 49-50).
- ✓ Those with low incomes and adverse health changes, particularly women who may bear the burdens of such changes, are likely to experience debt stress that could affect their retirement security, no matter what specific types of debt they may hold (p. 54).

*The facts highlighted here are as they are presented in the GAO report. Read the report [here](#).