

*GEORGETOWN*  
*UNIVERSITY*

---

McCourt School *of Public Policy*

**CENTER FOR  
RETIREMENT  
INITIATIVES**

**Webinar | August 18, 2021**

**What Do Recent Federal Studies Tell Us About  
the Financial Well-Being of U.S. Households and the Impact of COVID-19?**

## Our Panel:

- **Ted Leslie**, Senior Analyst, Education, Workforce and Income Security Issues, U.S. Government Accountability Office (GAO)
- **Ellen Merry, Ph.D.**, Principal Economist, Consumer and Community Research, Board of Governors of the Federal Reserve System (FRB)
- **Jeffrey Miller**, Senior Analyst, Education, Workforce and Income Security Issues, U.S. Government Accountability Office (GAO)
- **Hector Ortiz, Ph.D.**, Senior Policy Analyst, Office of Financial Protection for Older Americans, Consumer Financial Protection Bureau (CFPB)

## Moderator:

- **Angela M. Antonelli**, Research Professor and Executive Director, Georgetown Center for Retirement Initiatives

# Ellen Merry

Principal Economist

Consumer and Community Research

Board of Governors of the  
Federal Reserve System

# 2020 Survey of Household Economics and Decisionmaking (SHED)

*Ellen A. Merry*  
*August 18, 2021*



The analysis and conclusions in this presentation are those of the staff presenting and do not indicate concurrence by other members of the staff or the Board of Governors.

### **SHED Approach**

- 1. Use subjective self-assessments along with objective outcomes**
- 2. Ask individuals directly how they make financial decisions**
- 3. Flexibility to cover new and emerging issues**

**Main survey:** Over 11,000 respondents in November 2020 survey. Responses are weighted to be nationally representative of U.S. adults. (Surveys in April and July supplemented the main survey, to monitor effects of the pandemic.)

**Panel:** Nearly 4,000 respondents also took the 2019 survey, allowing us to track some of the same people over time.

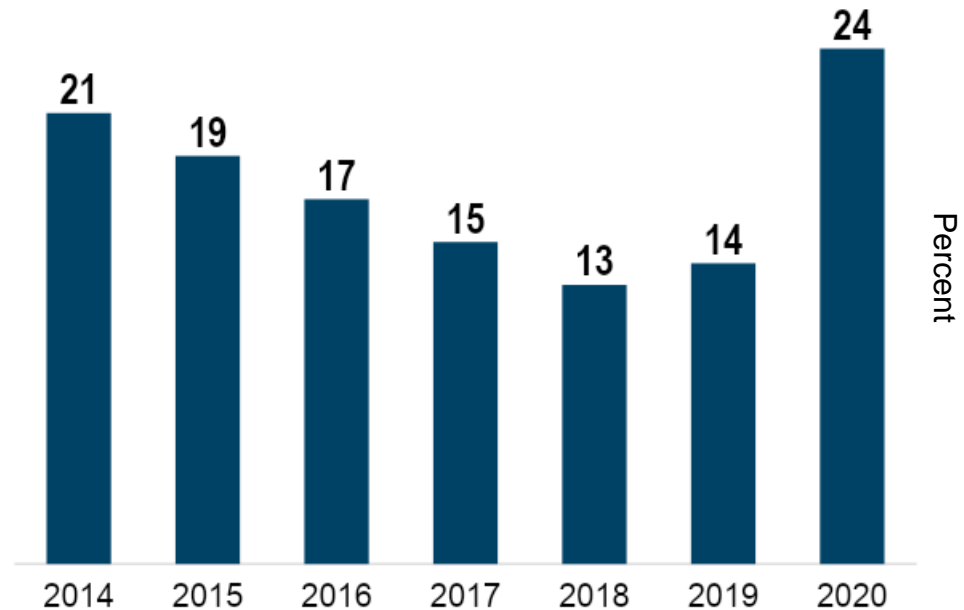
**Findings:** Select findings were published last month in the report *Economic Well-Being of U.S. Households in 2020* along with the underlying data. The report and data are at:

**<https://www.federalreserve.gov/consumerscommunities/shed.htm>**

## Worse Off Financially Than a Year Ago

- Nearly 1/4 of adults were worse off financially than a year ago
- Up from 14 percent in 2019
- Those with less than a high school degree particularly likely to be worse off than a year ago (36 percent)

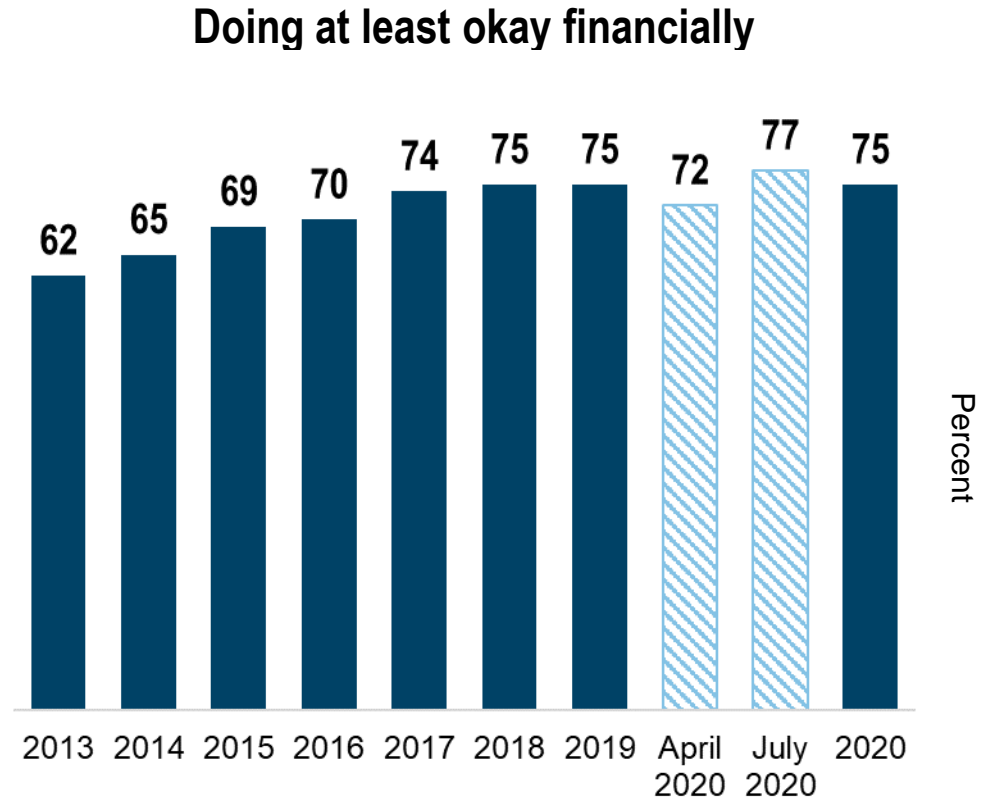
Worse off financially than 12 months earlier



Note: Among all adults.

## Overall Self-Reported Financial Well-Being

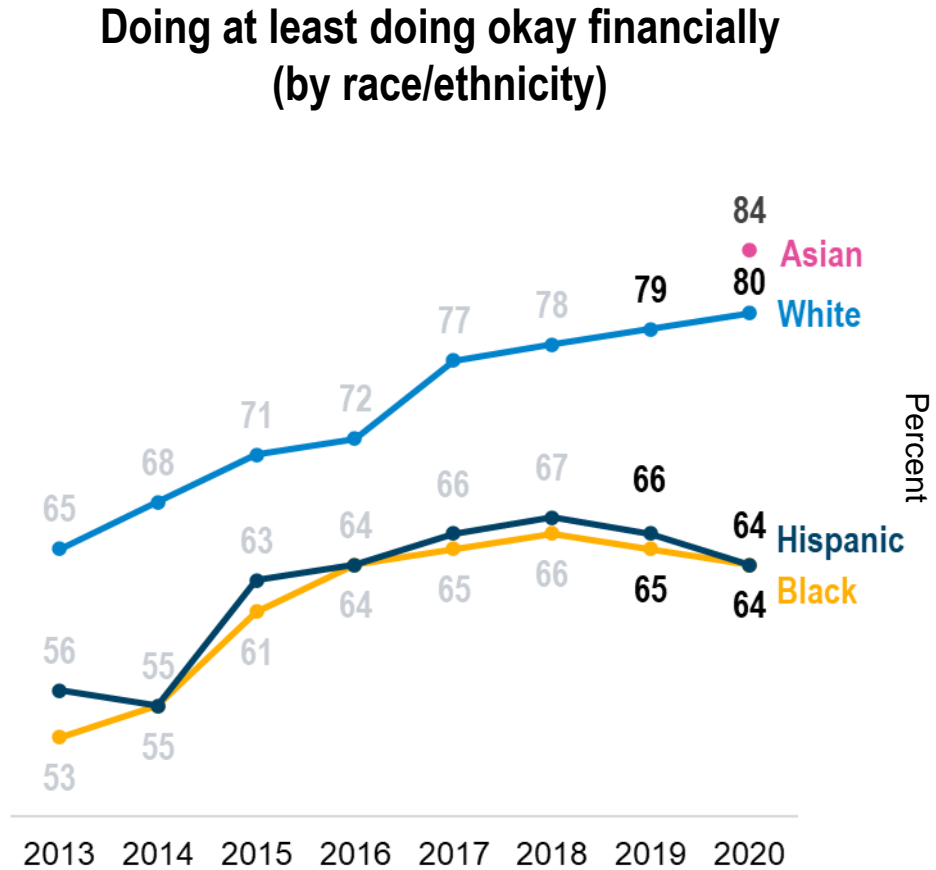
- Despite increase in setbacks, most people still managing financially
- 3/4 of adults “doing okay” financially or “living comfortably” at end of 2020
- Share doing at least okay fluctuated with economic conditions through the year
- November’s result down from peak in July, but above April and unchanged from 2019



Note: Among all adults.

## Financial Well-Being by Race/Ethnicity

- Fewer than 2/3 of Black and Hispanic adults doing at least okay financially, compared with 80 percent of White adults
- Gap has grown in recent years
- Steady uptick in well-being for White adults and recent downtick for Black and Hispanic adults
- Able to separately identify Asian respondents for the first time in 2020



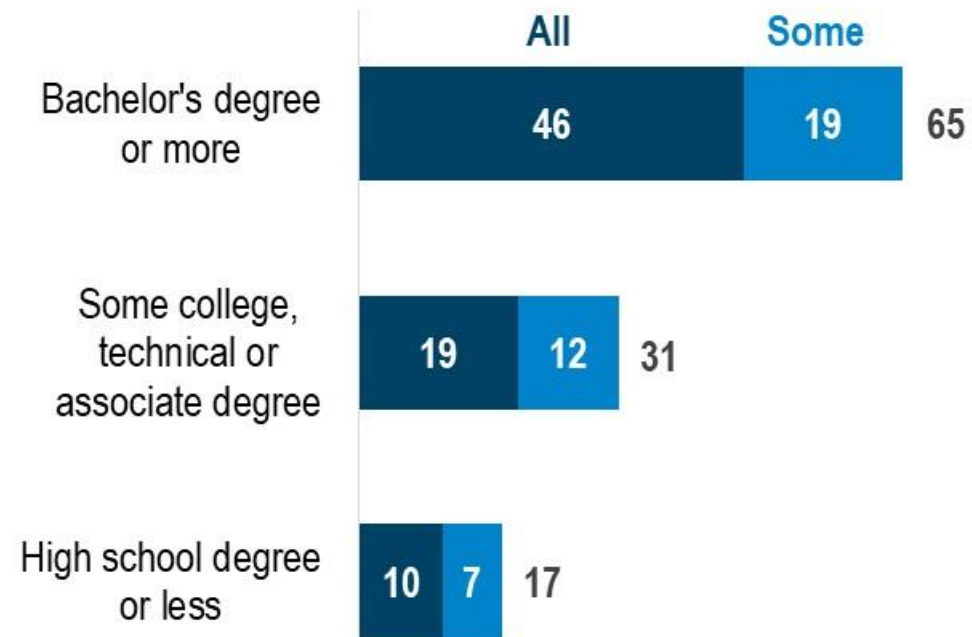
Note: Among all adults.



## Working from Home by Education

- 29 percent of workers worked entirely from home in November – similar to July (31 percent) but down from April (41 percent)
- Those with more education more likely to work from home
- Older workers were less likely to work from home (not shown)

Amount of work done from home  
(by education)



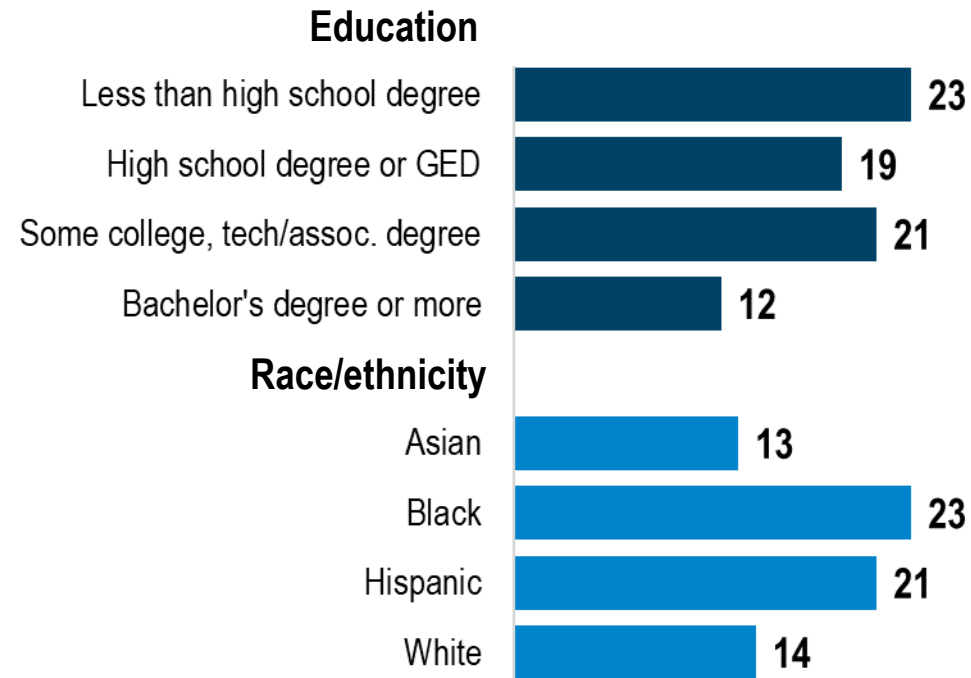
Percent

Note: Among adults who worked for someone else.

## Layoffs by Education and Race/Ethnicity

- 14 percent of all adults had been laid off at some point over the prior 12 months
- Adults with less education more likely to have been laid off
- Hispanic and Black adults particularly likely to have been laid off

Layoffs in the prior 12 months among prime age adults (ages 25-54)

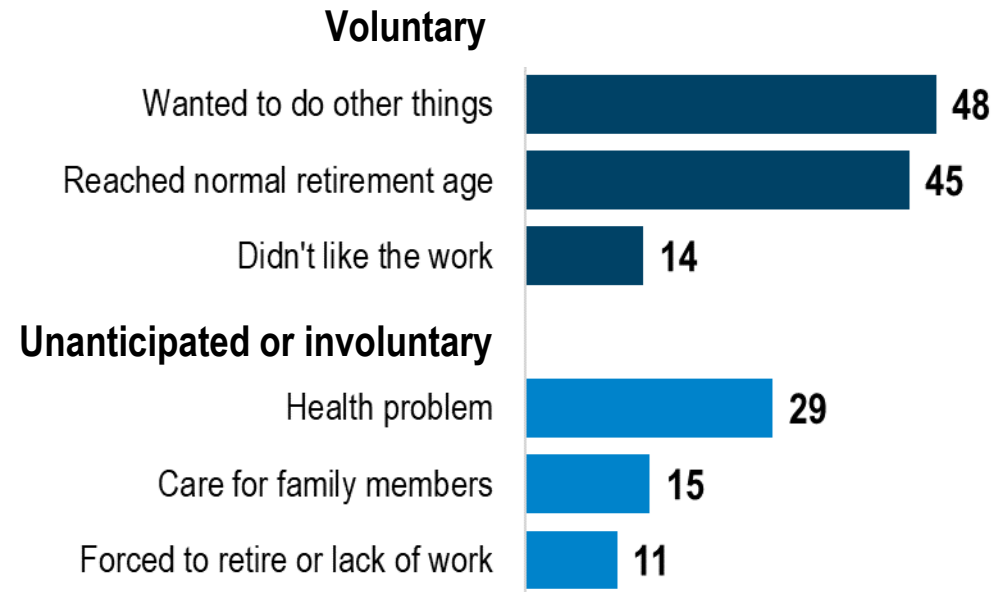


Percent Note: Among prime-age adults ages 25-54.

## Reasons for Retirement

- Most retirees indicated that their preferences played a role in when they retired, but life events contributed to the timing for many
- Of those who retired in the past year, 29 percent cited COVID as a factor
- Retirees citing COVID as a factor were more likely to say they were forced to retire or lacked work, didn't like the work, or were caring for family

### Reasons for the timing of retirement



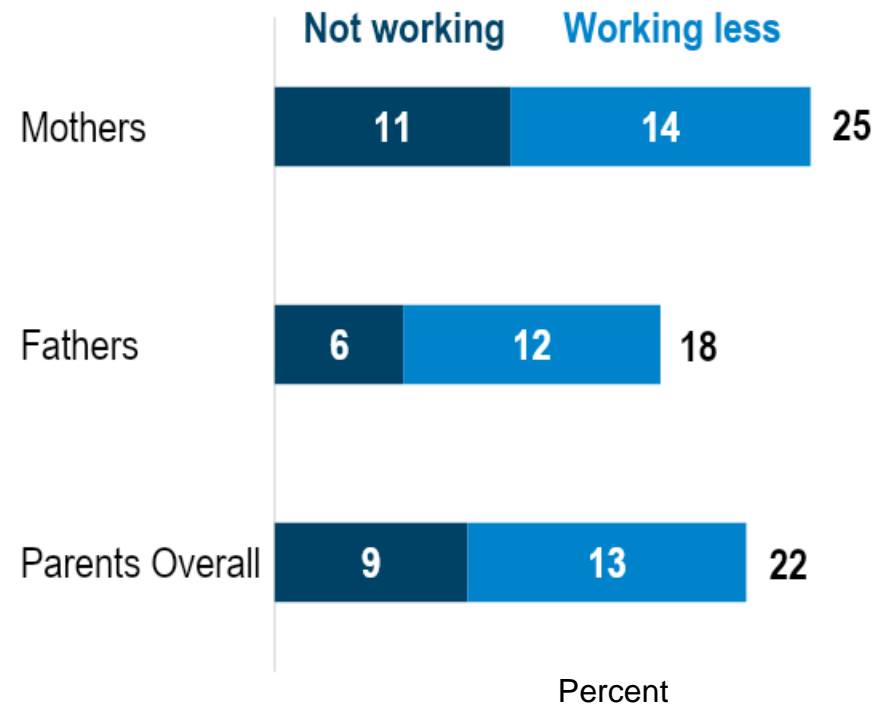
Percent

Note: Among retirees.  
Respondents could select multiple answers.

## Childcare/Schooling Disruptions and Employment

- 68 percent of parents reported disruptions in childcare or in person K-12 schooling (not shown)
- 9 percent of parents (nearly 2 percent of adults) not working because of childcare or schooling disruptions
- Childcare and K-12 schooling disruptions disproportionately affected women

Not working or working less because of disruptions to childcare or in-person K-12 schooling

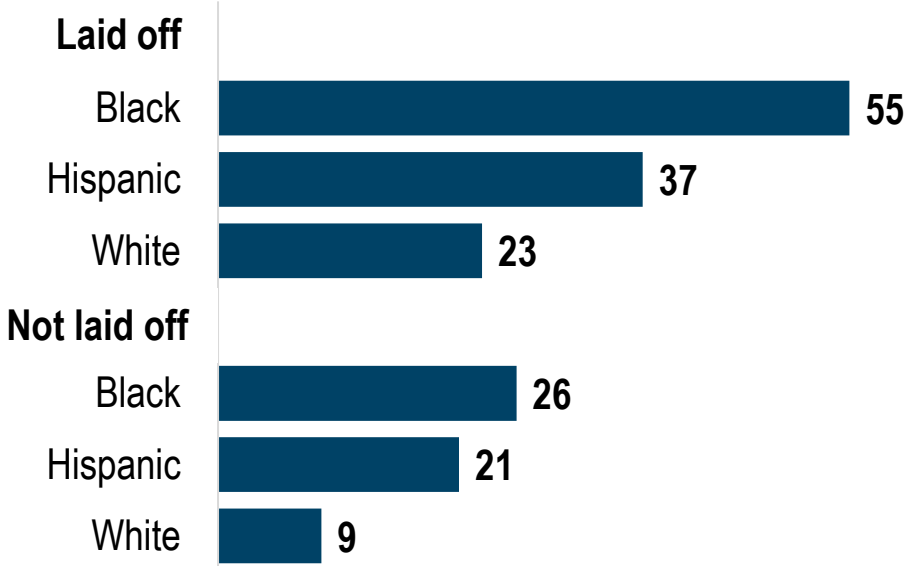


Note: Among parents. Parental status based on whether the respondent lived with their own children under age 18.

# Ability to Pay Current Month's Bills

- 16 percent of adults were unable to pay their current month's bills in full (not shown)
- Laid off workers were more likely to face difficulty paying bills than those not laid off
- Among those laid off, Black and Hispanic adults particularly likely to face difficulty paying bills

Not able to fully pay current month's bills (by layoff in prior 12 months and race/ethnicity)



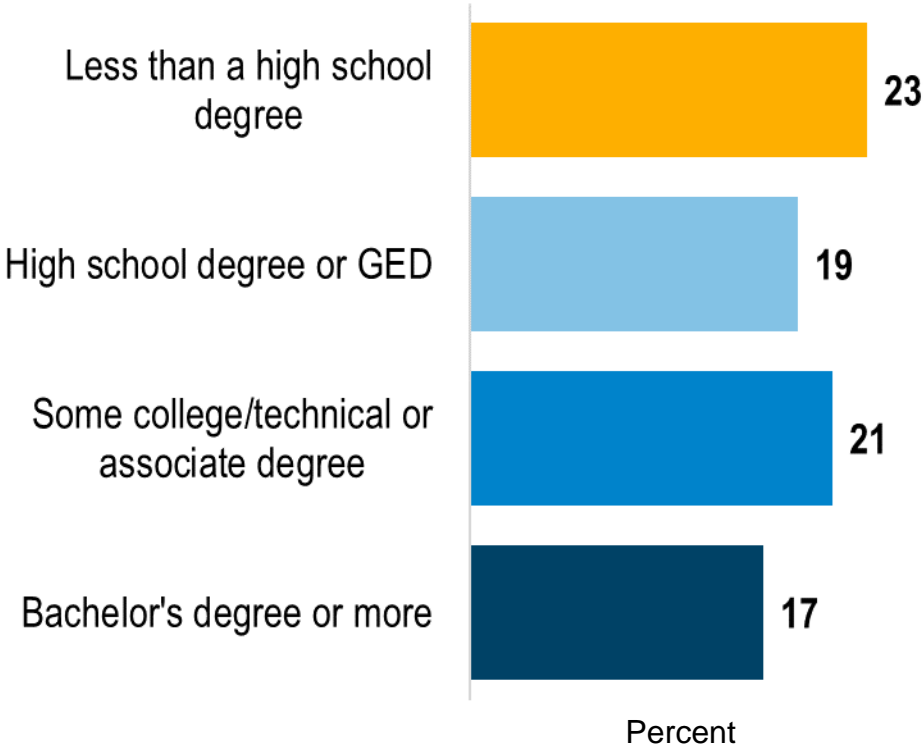
Percent

Note: Among all adults.

# Income Changes Since Last Year

Share reporting a **decrease in income** relative to a year ago (by education)

- 19 percent saw their incomes decline in 2020, while 24 percent saw an increase (not shown)
- Adults with less than a high school degree were *more* likely to have a decline in income

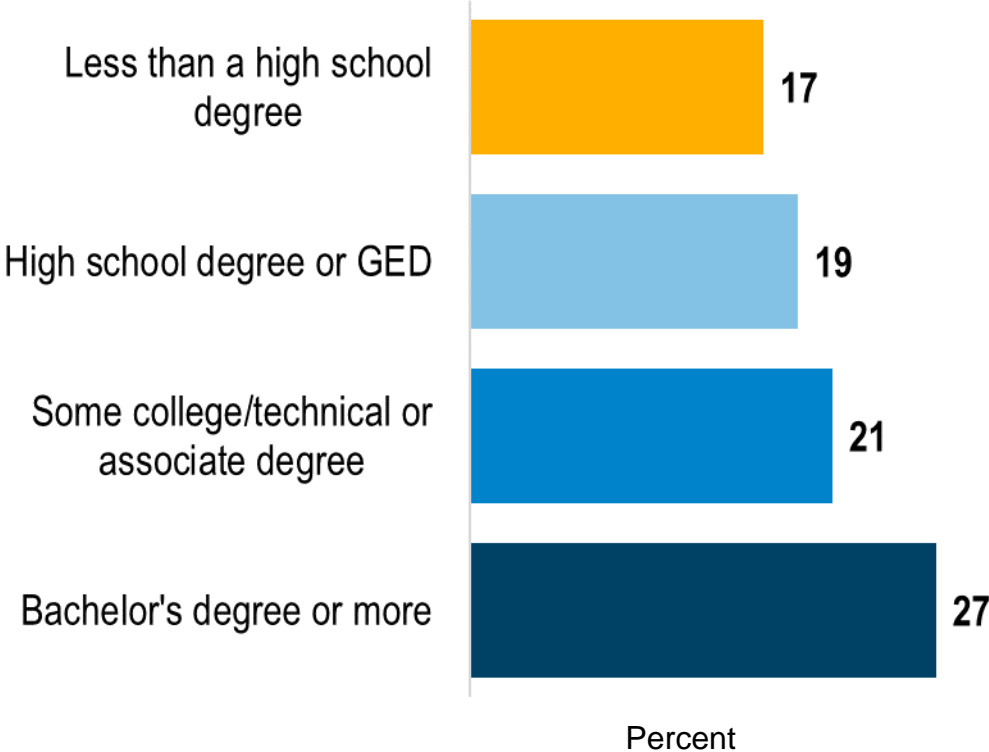


Note: Among all adults.

# Spending Changes Since Last Year

Share reporting a **decrease in spending** relative to a year ago (by education)

- In contrast to the changes in income, those with less education were *less* likely to have decreased spending
- Just over one-third of adults who were laid off spent less compared to a year earlier (not shown)

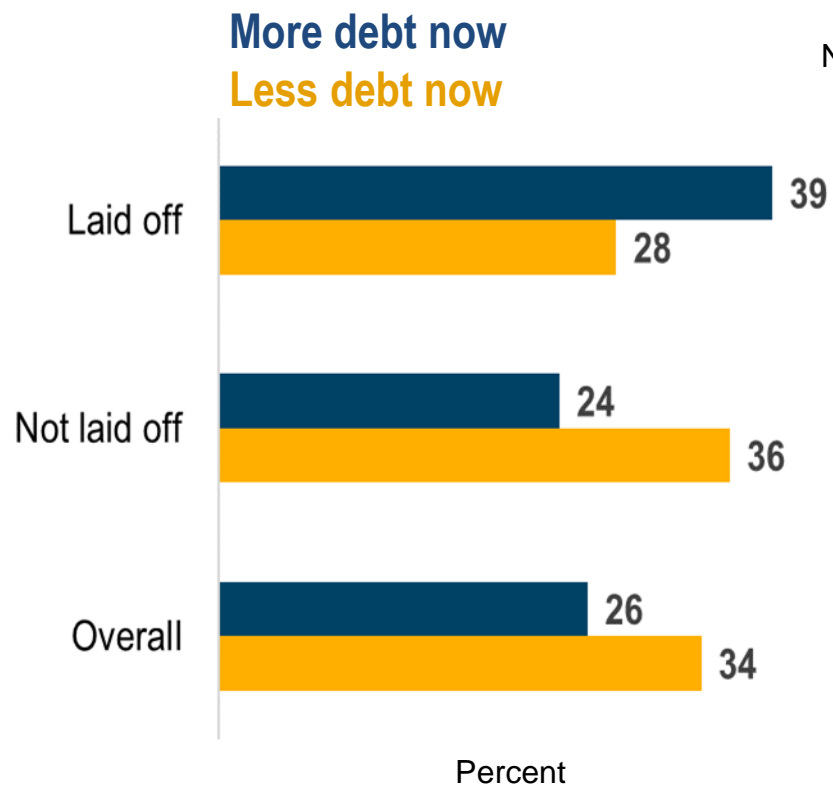


Note: Among all adults.

## Credit Card Debt Changes Since Last Year

- Credit card borrowers overall reduced outstanding balances
- Decline driven by those who kept their jobs
- Balances more frequently increased among those who were laid off
- Pattern among laid-off workers consistent with prior surveys, though larger share faced layoff in 2020

Credit card debt compared to 12 months ago  
(by whether laid off in prior 12 months)

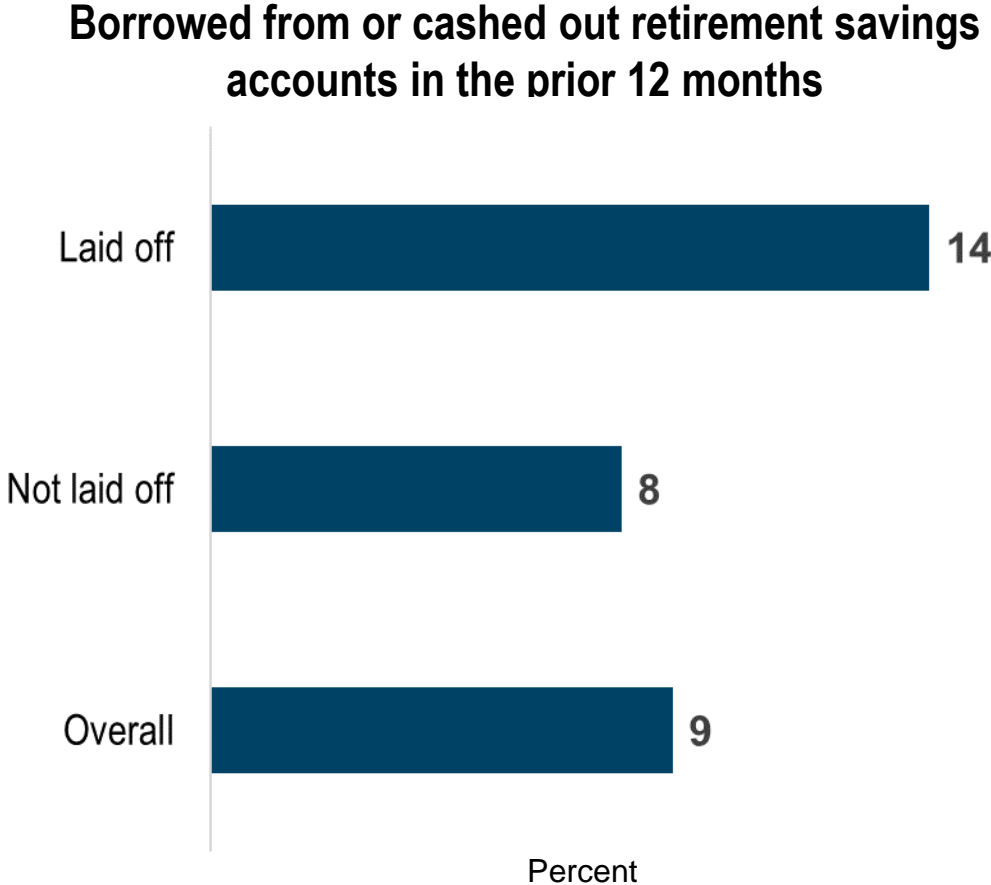


Note: Among credit card holders with outstanding credit card debt.



# Tapping Retirement Savings

- Nine percent of non-retired adults tapped their retirement savings in the prior 12 months – only a slight uptick from 2019
- Non-retired adults who were laid off were more likely to borrow or cash out retirement savings

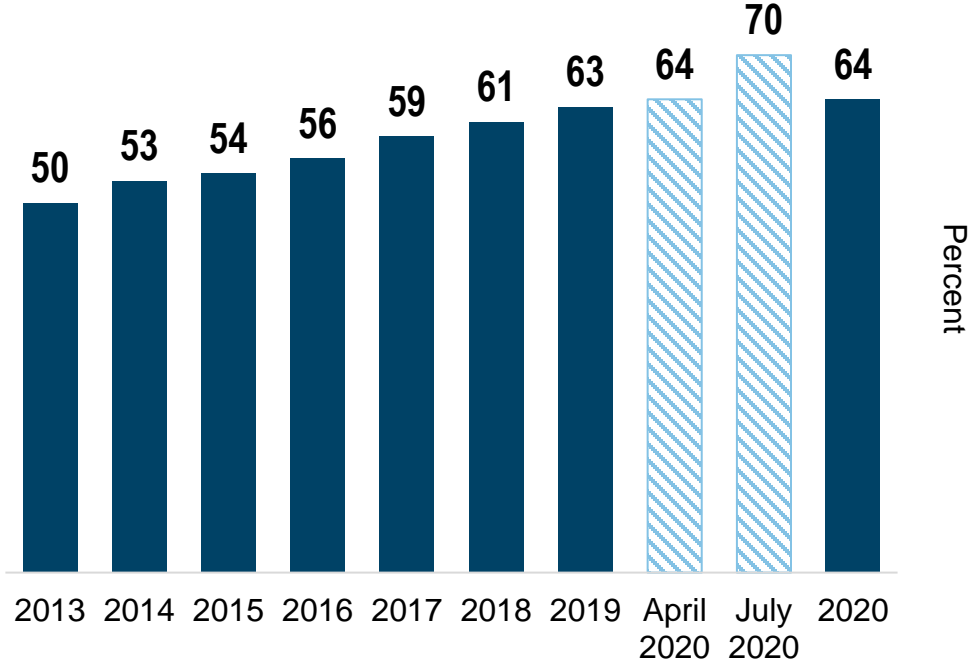


Note: Among non-retirees.

# Handling Unexpected Expenses

- 64 percent would cover an unexpected \$400 expense exclusively using cash or its equivalent
- Down from July just after pandemic-related relief had reached many households
- This decline is consistent with some families spending down savings from these relief programs

Would cover \$400 emergency expense completely using cash or its equivalent, 2013-2020



Note: Among all adults.

## OTHER TOPICS

---

### Major topics included in the survey and report

**Overall  
financial  
well-being**

**Employment**

**Childcare &  
K-12 Education**

**Banking  
& Credit**

**Income &  
Spending**

**Emergency  
Savings**

**Higher  
Education**

**Student Loans**

**Medical  
Care**

**Gig Economy**

**Housing &  
Living  
Arrangements**

**Retirement**

# Hector Ortiz

Senior Policy Analyst

Office of Financial Protection for Older Americans

Consumer Financial Protection Bureau

*GEORGETOWN*  
*UNIVERSITY*

McCourt School of Public Policy

**CENTER FOR  
RETIREMENT  
INITIATIVES**

# COVID-19 and changes in consumers' financial well-being

Webinar| August 2021



Consumer Financial  
Protection Bureau

*GEORGETOWN*  
*UNIVERSITY*

McCourt School of Public Policy

**CENTER FOR  
RETIREMENT  
INITIATIVES**

## About the Bureau

---

The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

[consumerfinance.gov](https://consumerfinance.gov)



## Disclaimer

---

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance, or advice of the Consumer Financial Protection Bureau. Any opinions or views **stated** by the presenter are the presenter's own and may not represent the Bureau's views.



## Today's presentation

---

- Defining and measuring financial well-being
- Financial well-being and other financial measures
- Financial well-being and COVID-19
  - Financial shocks
  - COVID-19 related risks





# Background



Consumer Financial  
Protection Bureau

*GEORGETOWN*  
*UNIVERSITY*

McCourt School *of Public Policy*

**CENTER FOR  
RETIREMENT  
INITIATIVES**

## How people define *financial well-being*

*A state of being reflecting a person's ability to meet current and ongoing financial obligations, feel secure in their financial future, and make choices that allow enjoyment of life.*

	Present	Future
Security	Control over your day-to-day, month-to-month finances	Capacity to absorb a financial shock
Freedom of choice	Financial freedom to make choices to enjoy life	On track to meet your financial goals



Consumer Financial  
Protection Bureau

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

# The Financial Well-Being Scale

Questions	Response Options
<p><b>How well does this statement describe you or your situation?</b></p> <ol style="list-style-type: none"> <li>1. I could handle a major unexpected expense</li> <li>2. I am securing my financial future</li> <li>3. Because of my money situation, I feel like I will never have the things I want in life</li> <li>4. I can enjoy life because of the way I'm managing my money</li> <li>5. I am just getting by financially</li> <li>6. I am concerned that the money I have or will save won't last</li> </ol>	<ul style="list-style-type: none"> <li>• Describes me completely</li> <li>• Describes me very well</li> <li>• Describes me somewhat</li> <li>• Describes me very little</li> <li>• Does not describe me at all</li> </ul>
<p><b>How often does this statement apply to you?</b></p> <ol style="list-style-type: none"> <li>1. Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month</li> <li>2. I have money left over at the end of the month</li> <li>3. I am behind with my finances</li> <li>4. My finances control my life</li> </ol>	<ul style="list-style-type: none"> <li>• Always</li> <li>• Often</li> <li>• Sometimes</li> <li>• Rarely</li> <li>• Never</li> </ul>



Consumer Financial  
Protection Bureau

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

## The Financial Well-being Score

---

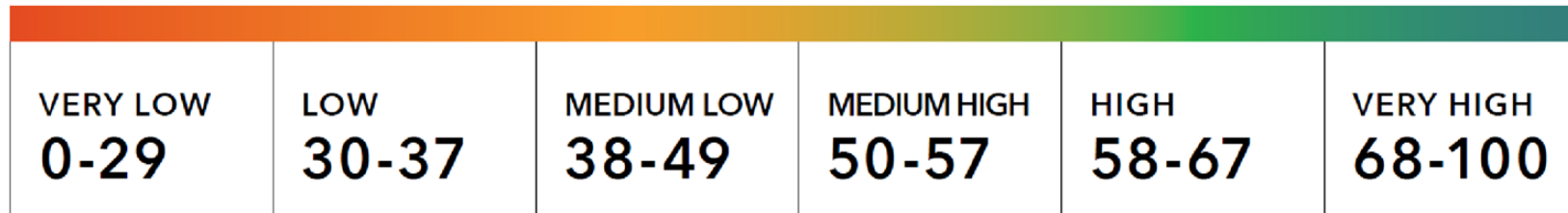


- Standardized number (similar to SAT score)
- A number between 0 and 100
- Adjusted by mode of administration and age group

# Financial Well-being Score ranges

---

## Score ranges



Consumer Financial  
Protection Bureau

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

**CENTER FOR  
RETIREMENT  
INITIATIVES**

# Financial Well-being Scores and ranges

---

- Financial well-being scores are strongly correlated with real life experiences and material hardship.

% difficult to cover monthly expenses



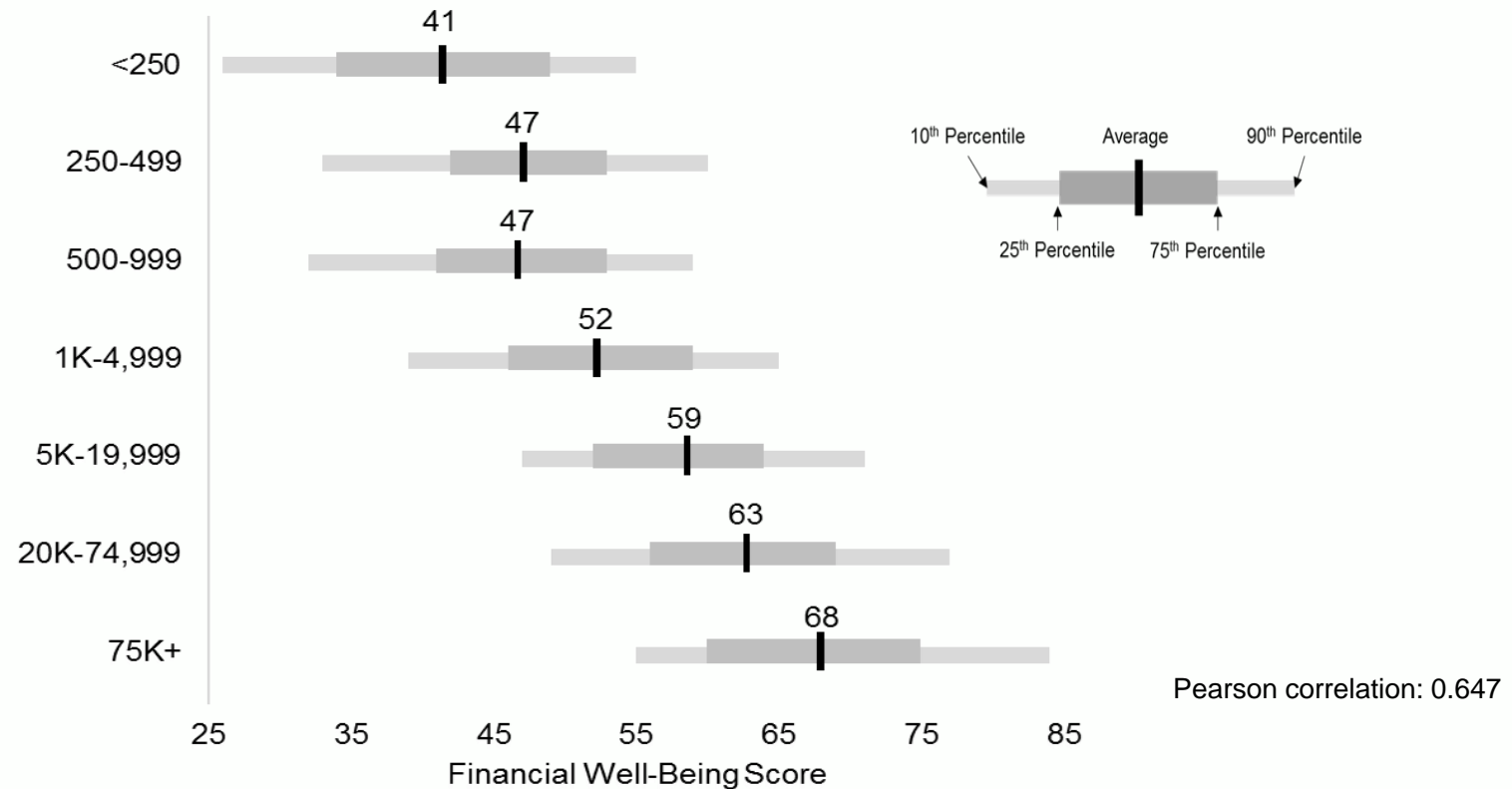
*Source: CFPB 2016 National Financial Well-being Survey*

- Financial well-being scores are strongly correlated with income, levels of liquid savings and credit scores.



# Financial well-being scores and liquid savings

## DISTRIBUTION OF FINANCIAL WELL-BEING SCORE BY LIQUID SAVINGS



Consumer Financial Protection Bureau

Source: CFPB 2016 National Financial Well-Being Survey

GEORGETOWN UNIVERSITY

McCourt School of Public Policy

CENTER FOR RETIREMENT INITIATIVES

# Changes in financial well-being



Consumer Financial  
Protection Bureau

*GEORGETOWN*  
*UNIVERSITY*

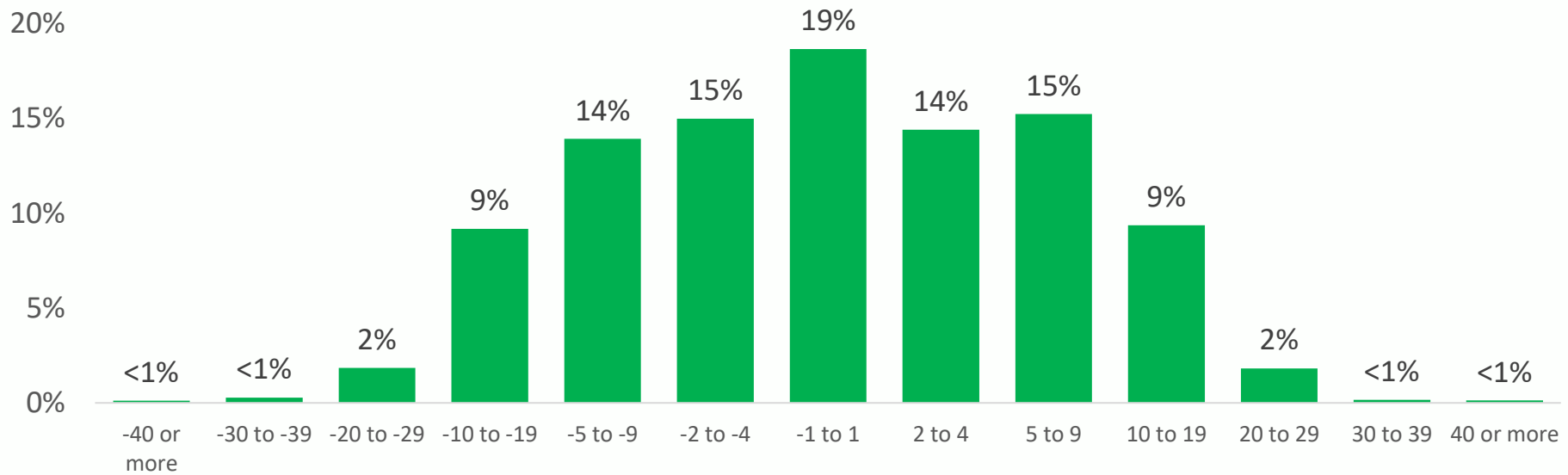
McCourt School *of Public Policy*

**CENTER FOR  
RETIREMENT  
INITIATIVES**



## Financial well-being are generally stable over time

DISTRIBUTION OF CHANGE IN SCORES - MAY 2018 to MAY 2019



Change in financial well-being score between 2018 and 2019



Consumer Financial  
Protection Bureau

Source: Jeremy Burke and Francisco Perez-Arce, *Longitudinal Changes in Financial Well-Being, Financial Behaviors, and Life Events* (2019) using the Understanding America Study.

GEORGETOWN  
UNIVERSITY  
McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

## Negative changes in financial well-being are related to large, typically, costly financial shocks

Shock	Coeff.	Std. Error	Incidence
Got Married (-)	-1.055	-0.808	3.30%
Got Divorced (↓)	1.159	-0.807	3.30%
Death of a family member (↓)	0.097	-0.348	19.80%
Had a baby (-)	-0.401	-0.673	4.90%
Became caregiver of adult (↓)	0.429	-0.697	4.40%
New job (↑)	1.160***	-0.385	18.80%
Significant raise/promotion(↑)	1.809***	-0.456	10.60%
Lost job/hours cut (↓)	-1.993***	-0.439	13.60%
Major medical expense (↓)	-1.881***	-0.386	15.50%

Controls: Age, Education (college graduate), Race (white), and Sex (male)

Observations 4,264

R-squared 0.02

Source: Jeremy Burke and Francisco Perez-Arce, *Longitudinal Changes in Financial Well-Being, Financial Behaviors, and Life Events* (2019) using the Understanding America Study.



Consumer Financial  
Protection Bureau

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

## COVID-19 experiences

---

- Unemployment
- Medical expenses
- Higher costs
- Government assistance
  - Forbearance
  - Unemployment
  - Stimulus money
  - Expanded health insurance and coverage of COVID tests/vaccines



# Changes in financial well-being between June 2019 and June 2020

---

## Report

<https://www.consumerfinance.gov/data-research/research-reports/changes-in-consumer-financial-status-during-early-months-pandemic/>

*By Scott Fulford, Marie Rush, and Eric Wilson*



## About the Making Ends Meet Survey

---

- **Sample:** Drawn from the Bureau's Consumer Credit Panel (CCP). The credit panel is a 1-in-48 random and de-identified sample of credit records maintained by one of the three nationwide credit reporting agencies.
- **Timing:** The Bureau conducted Wave 1 (2,990 respondents) of the survey starting in May 2019 and Wave 2 starting in May 2020.



# Analysis

---

Three key Measures:

Measure	Values
CFPB's five-question Financial Well-Being Scale	0-100
Reported difficulty paying a bill or expense in the previous year	Yes/No
Credit Scores	300-850

**Sample Size:** 1,742 respondents to the three measures in the two waves.

**Some limitations:** causality, sample size, timing and statistical differences



## Changes in financial well-being vs. decline in other measures

AVERAGE IMPROVEMENT IN CONSUMERS' FINANCIAL STATUS BETWEEN JUNE 2019 AND JUNE 2020

Measure	June 2019	June 2020	Difference
CFPB Financial Well-Being Score	51.1	52.1	+1*
Percentage of individuals who had difficulty paying for a bill or expense in the previous year	40	36	-4*
Credit Score	699	710	+11*



Consumer Financial  
Protection Bureau

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

## Distribution of financial well-being (2019-2020)

Level	2019	2020	Difference
Very Low	7.1%	5.0%	-2.1%
Low	8.7%	7.1%	-1.6%
Medium Low	30.2%	28.1%	-2.0%
Medium High	22.8%	28.2%	5.5%
High	19.6%	19.9%	0.3%
Very High	11.7%	11.7%	0.0%

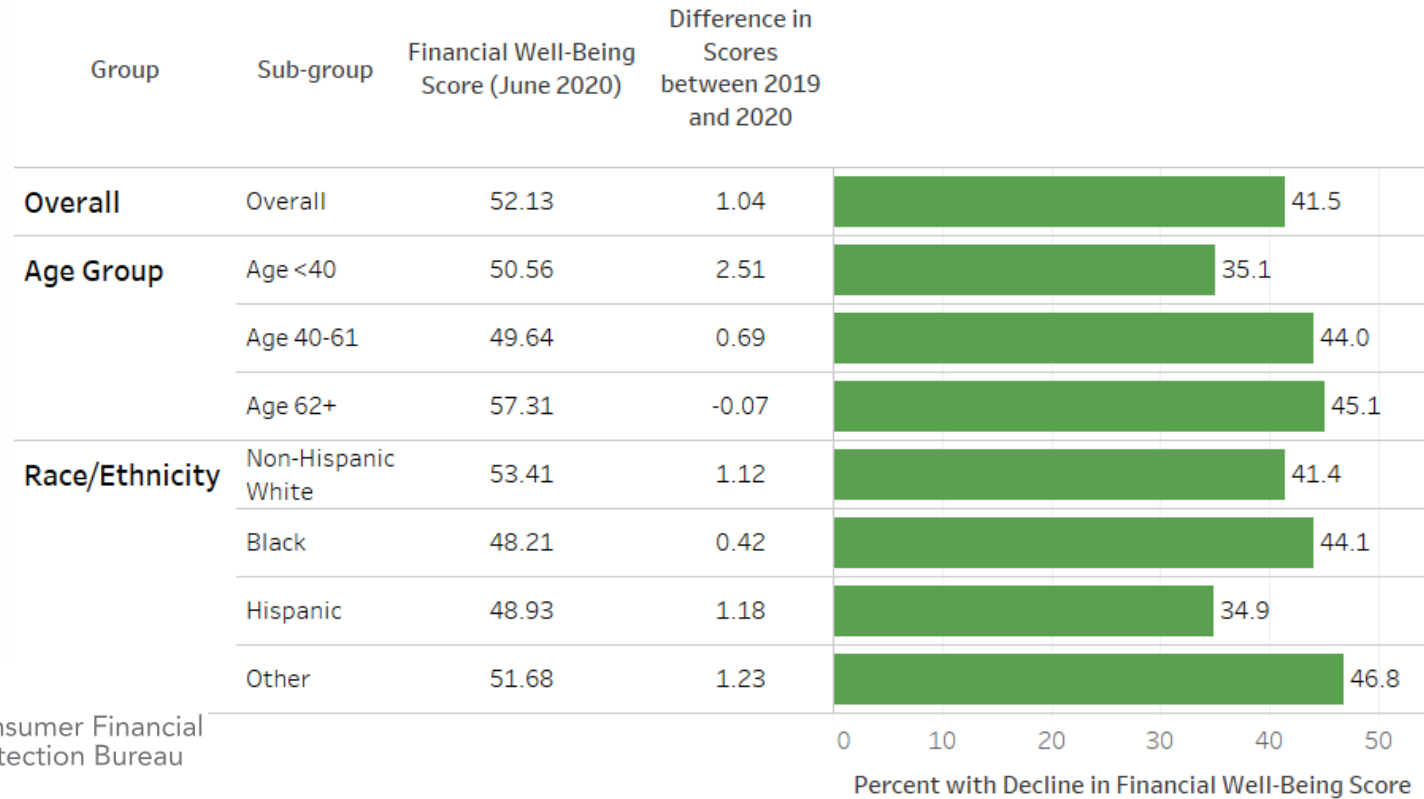


Consumer Financial  
Protection Bureau



# Changes in financial well-being for selected groups

AVERAGE CHANGE IN CONSUMERS' FINANCIAL WELL-BEING and PERCENT OF RESPONDENTS REPORTING A DECLINE IN FINANCIAL WELL-BEING SCORE BETWEEN 2019 AND 2020



Consumer Financial Protection Bureau

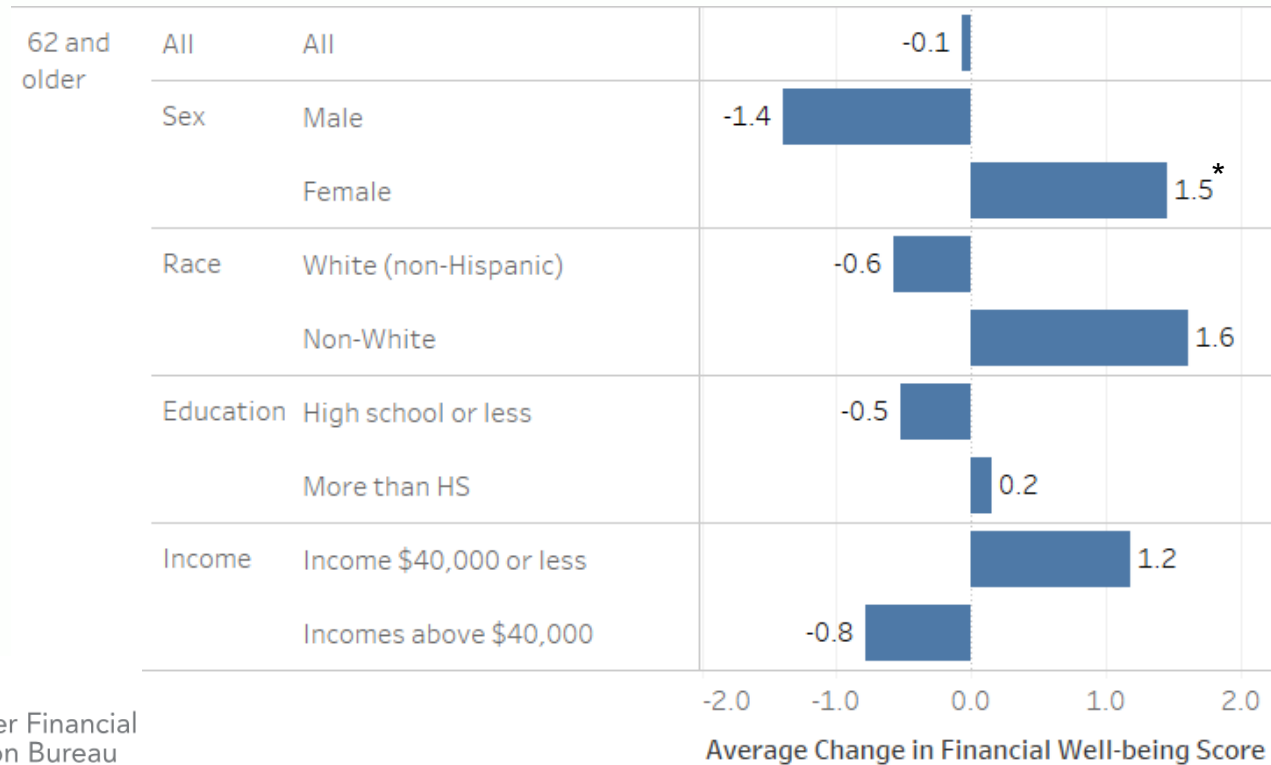
GEORGETOWN UNIVERSITY

McCourt School of Public Policy

CENTER FOR RETIREMENT INITIATIVES

# Changes in financial well-being among older adults

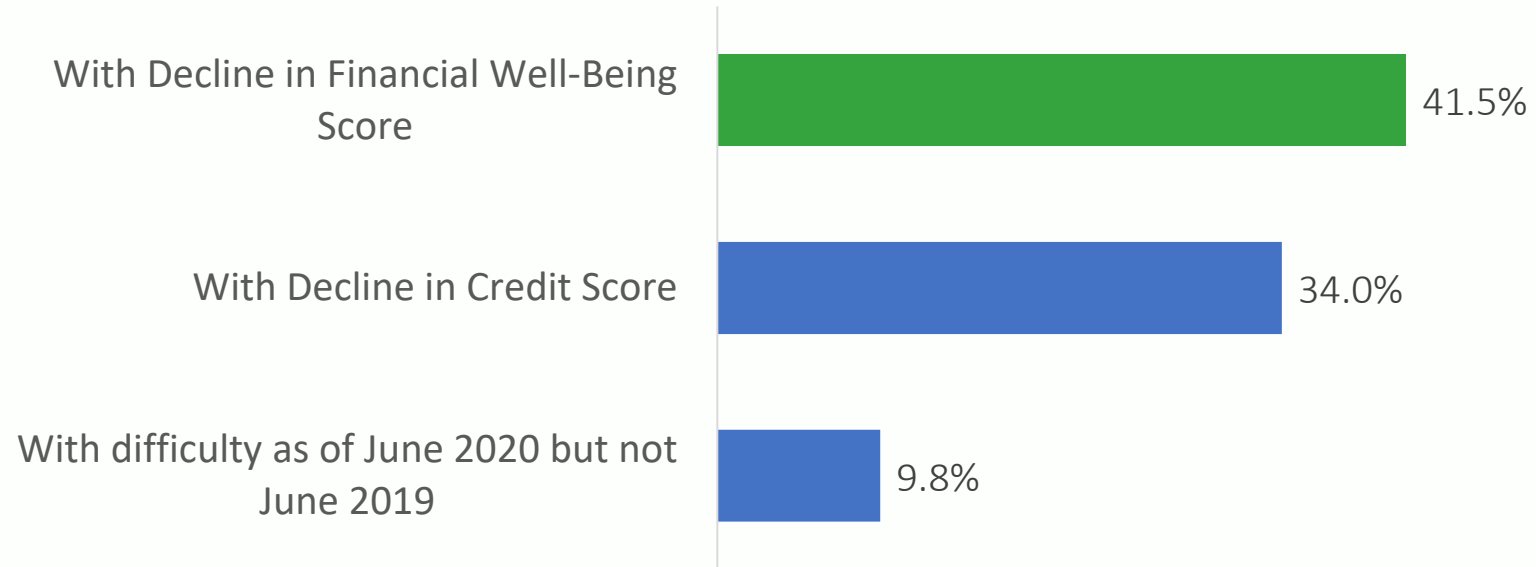
AVERAGE CHANGE IN OLDER ADULTS' FINANCIAL WELL-BEING SCORES BETWEEN JUNE 2019 AND JUNE 2020



Consumer Financial Protection Bureau

# Decline in financial well-being vs. decline in other measures

PERCENT OF IN CONSUMERS' FINANCIAL STATUS BETWEEN JUNE 2019 AND JUNE 2020



Consumer Financial  
Protection Bureau

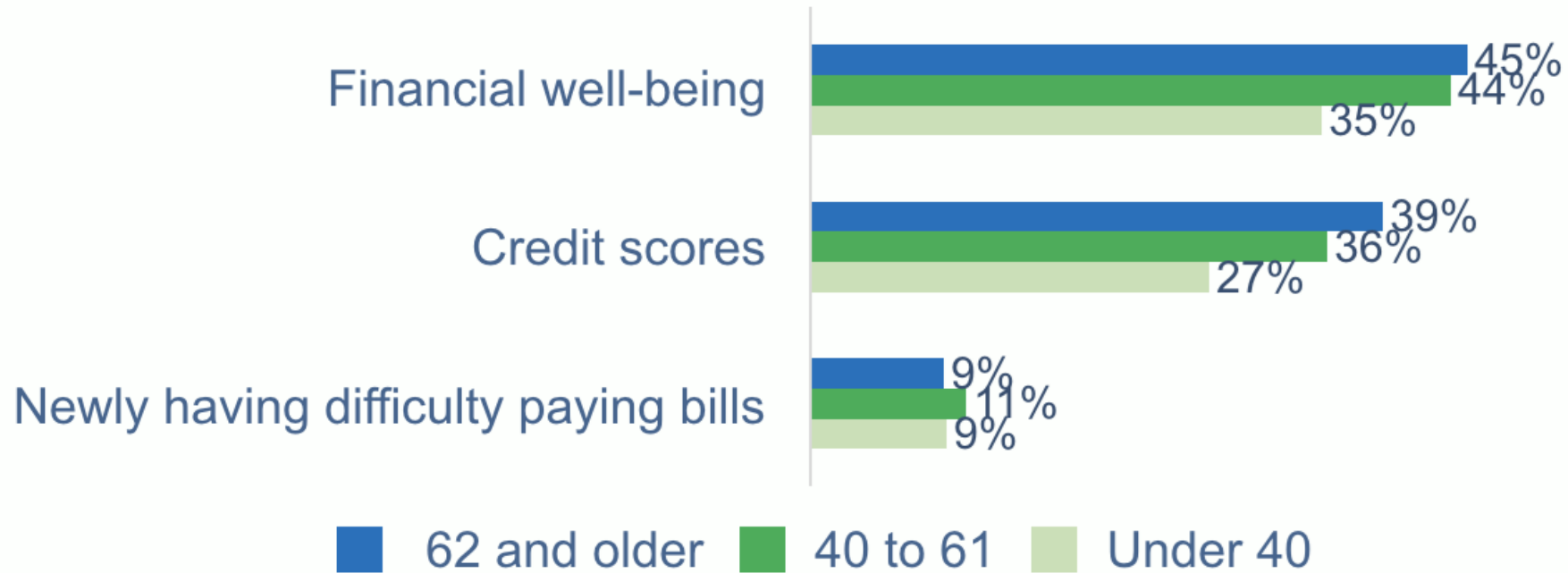
GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

# Decline in financial well-being vs. decline in other measures

PERCENT OF CONSUMERS REPORTING A CHANGE IN THREE MEASURES OF FINANCIAL SITUATION BETWEEN JUNE 2019 AND JUNE 2020, BY AGE GROUP



Consumer Financial Protection Bureau

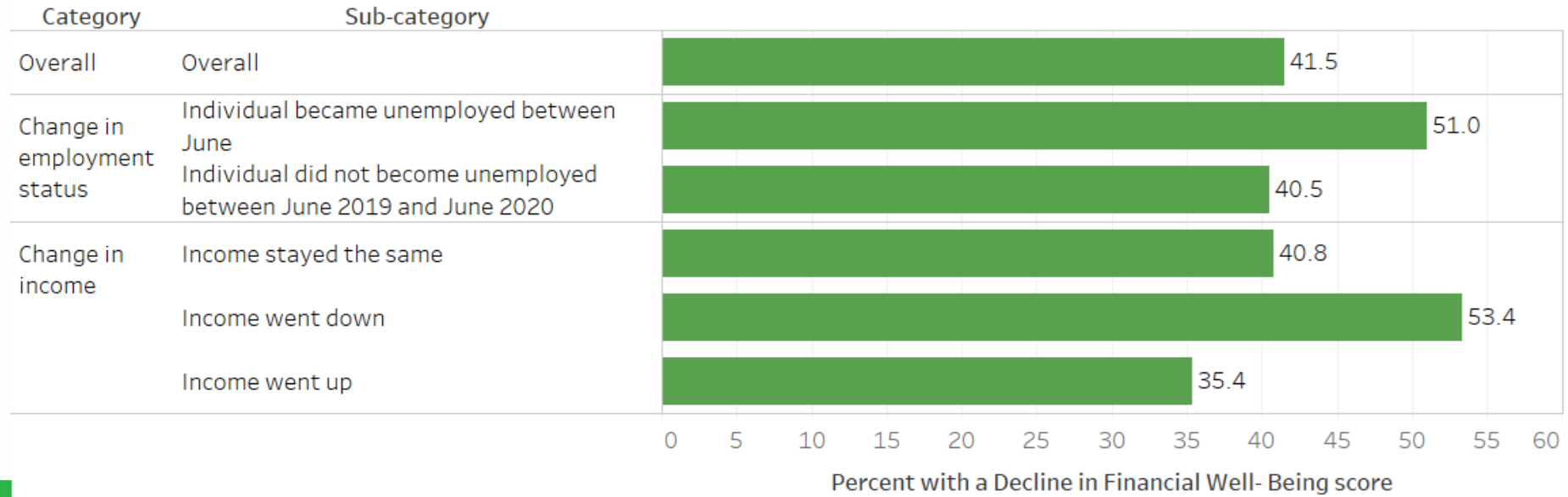
GEORGETOWN UNIVERSITY

McCourt School of Public Policy

CENTER FOR RETIREMENT INITIATIVES

# Factors associated with a decline

PERCENT OF RESPONDENTS REPORTING A DECLINE IN FINANCIAL WELL-BEING BETWEEN 2019 AND 2020  
BY SELECTED FINANCIAL EXPERIENCES



Consumer Financial  
Protection Bureau

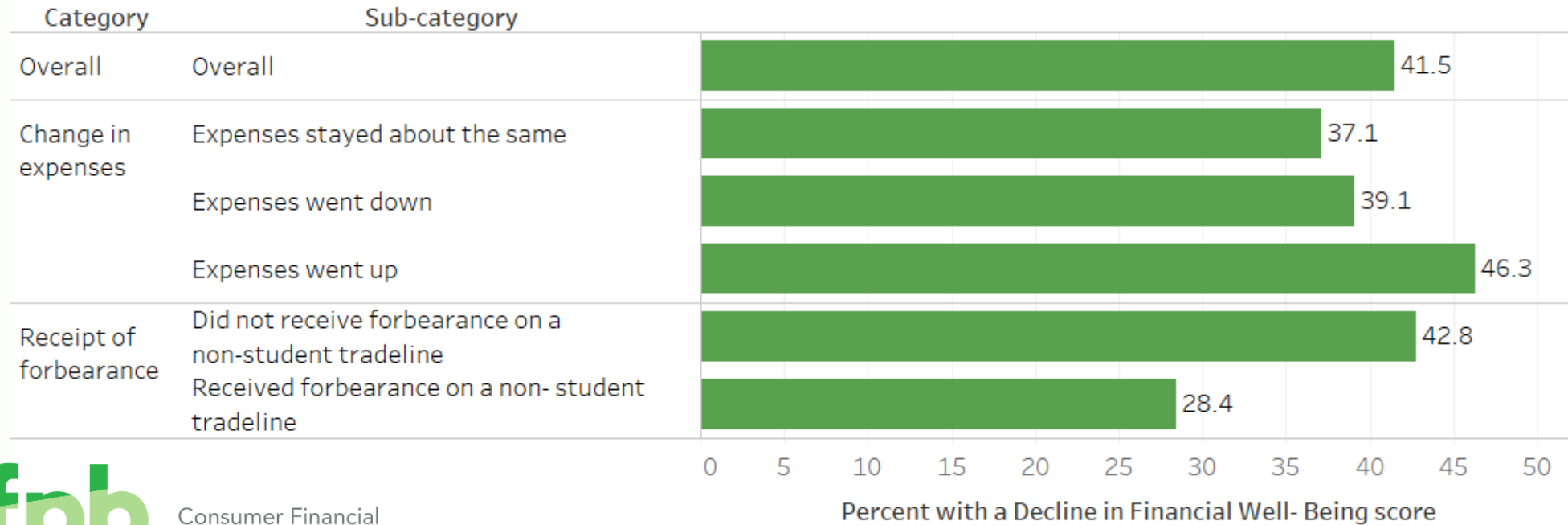
GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

## Factors associated with a decline (cont'd)

PERCENT OF RESPONDENTS REPORTING A DECLINE IN FINANCIAL WELL-BEING BETWEEN 2019 AND 2020  
BY SELECTED FINANCIAL EXPERIENCES



Consumer Financial  
Protection Bureau

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

# More information



Consumer Financial  
Protection Bureau

*GEORGETOWN*  
*UNIVERSITY*

McCourt School *of Public Policy*

**CENTER FOR  
RETIREMENT  
INITIATIVES**

## More information and data from the MEM Survey

---

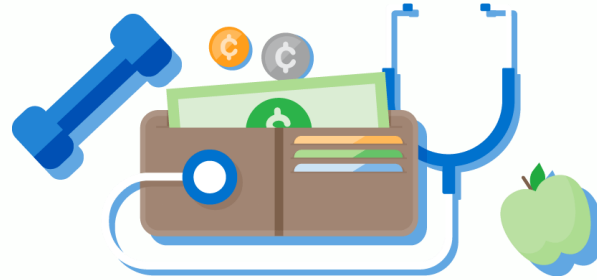
- Insights from the Making Ends Meet Survey; June 2020
  - Available at: <https://www.consumerfinance.gov/data-research/research-reports/insights-making-ends-meet-survey/>
- Perceived Financial Preparedness, Savings Habits and Financial Security; September 2020
  - Available at: <https://www.consumerfinance.gov/data-research/research-reports/perceived-financial-preparedness-saving-habits-and-financial-security/>
- Consumer use of payday, auto-title, and pawn loans: Insights from the Making Ends Meet Survey; May 2021
  - Available at: <https://www.consumerfinance.gov/data-research/research-reports/consumer-use-of-payday-auto-title-and-pawn-loans-insights-making-ends-meet-survey/>





## Financial well-being hub

---



- User guides and toolkit with cases studies, tips and benchmarks
- Interactive, paper versions of the scale in English and Spanish
- Reports on older Americans, servicemembers, Hispanics, state-level, credit scores, savings and other CFPB-commissioned studies



[consumerfinance.gov/financial-well-being](https://consumerfinance.gov/financial-well-being)

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

**CENTER FOR  
RETIREMENT  
INITIATIVES**

Join us tomorrow

---

**Webinar:** COVID-19 and changes in older consumers' financial well-being

- Learn more about how financial well-being specifically changed for older adults
  - August 19, 1:00-2:00pm EST
- If you are interested, please email to [Hector.Ortiz@cfpb.gov](mailto:Hector.Ortiz@cfpb.gov)



**Ted Leslie**

Senior Analyst

Education, Workforce and Income Security Issues

U.S. Government Accountability Office

and

**Jeffrey Miller**

Senior Analyst

Education, Workforce and Income Security Issues

U.S. Government Accountability Office

*GEORGETOWN*  
*UNIVERSITY*

McCourt School of Public Policy

**CENTER FOR  
RETIREMENT  
INITIATIVES**



---

# Debt of Older Americans and Women's Retirement Security

---

Presentation to Georgetown Center for  
Retirement Initiatives

August 18, 2021

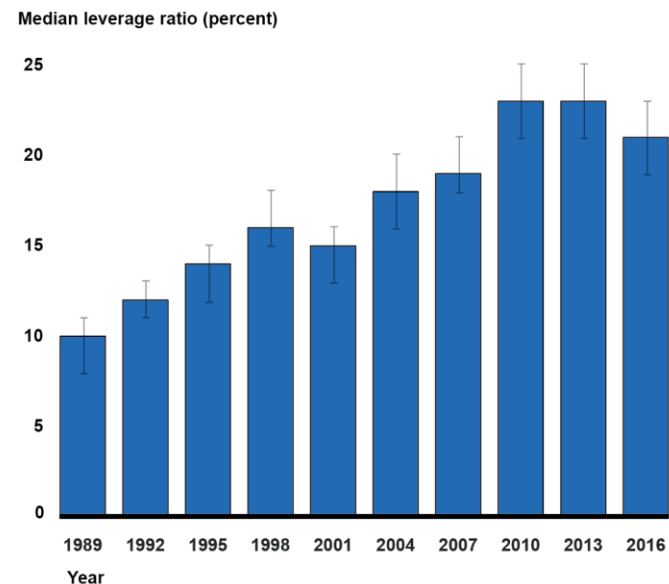
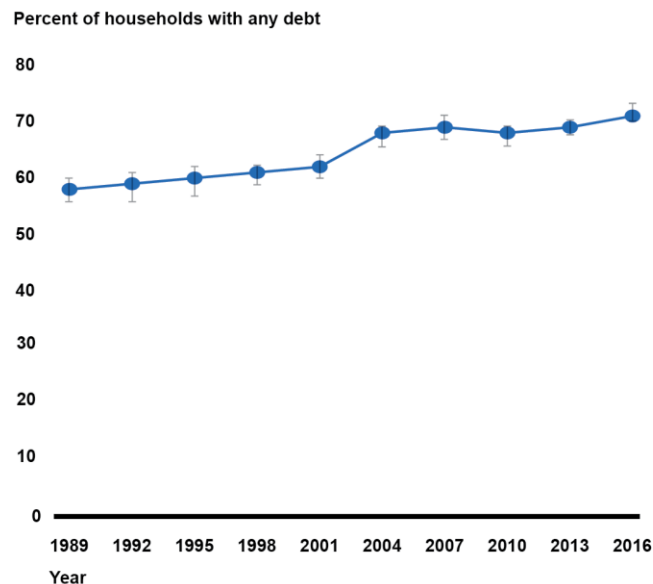
*GEORGETOWN*  
*UNIVERSITY*

McCourt School of Public Policy

**CENTER FOR  
RETIREMENT  
INITIATIVES**

# Debt and Leverage Ratio Trends

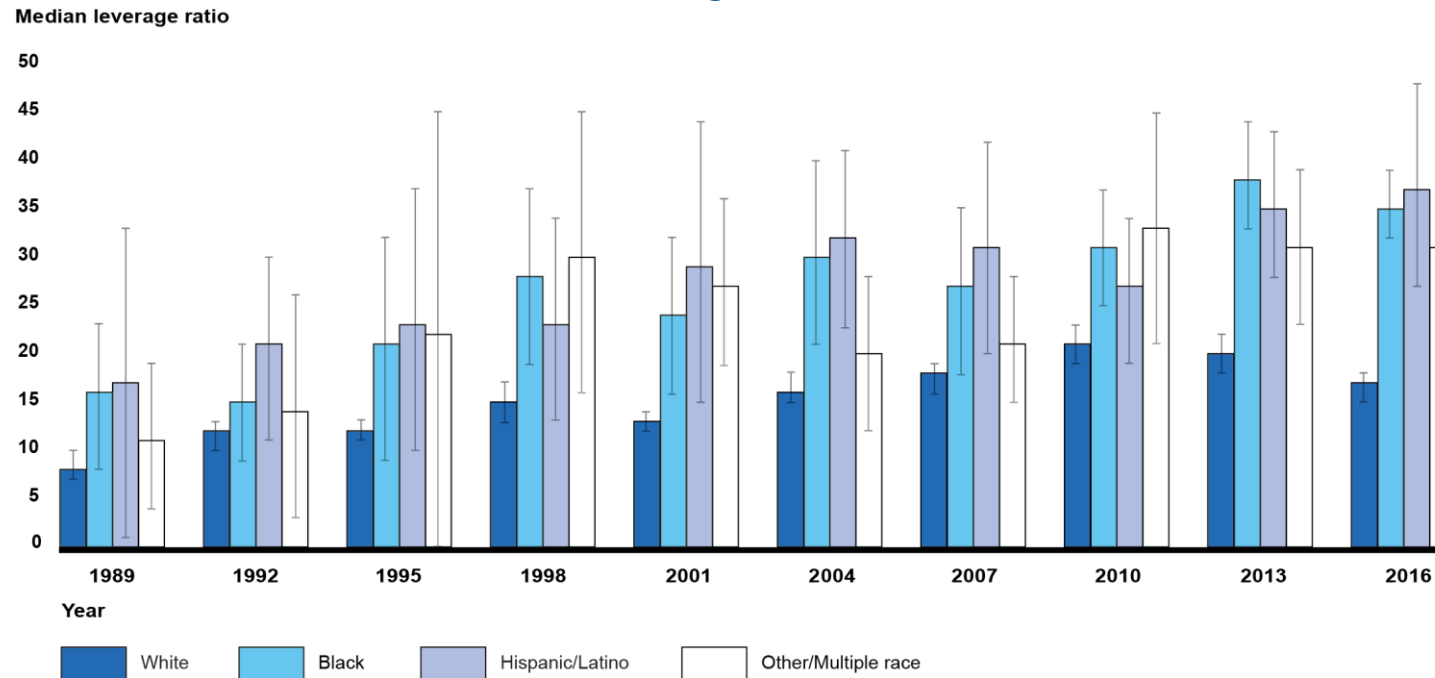
The proportion of older households (Age 50+) with any debt has increased and the median leverage ratio for older households was twice as high in 2016 as it was in 1989



Source: GAO analysis of the Federal Reserve's Survey of Consumer Finances data. | GAO-21-170

# Leverage Ratio Trend by Race/Ethnicity

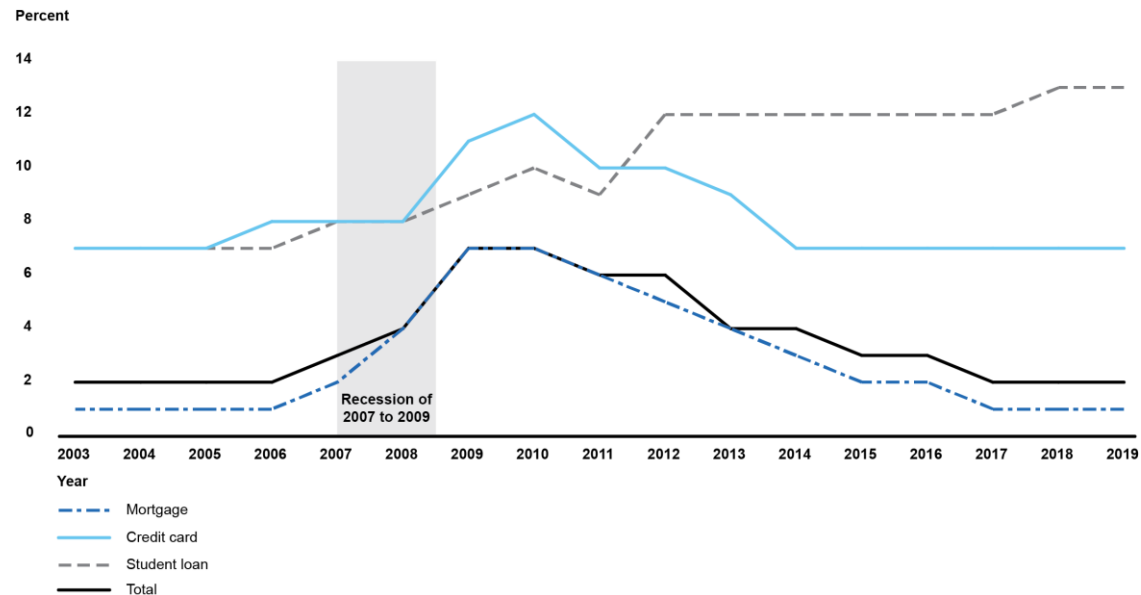
By 2016, non-White households had median leverage ratios that were about two times greater than for White households



Source: GAO analysis of the Federal Reserve's Survey of Consumer Finances data. | GAO-21-170

# Delinquent Debt Trends

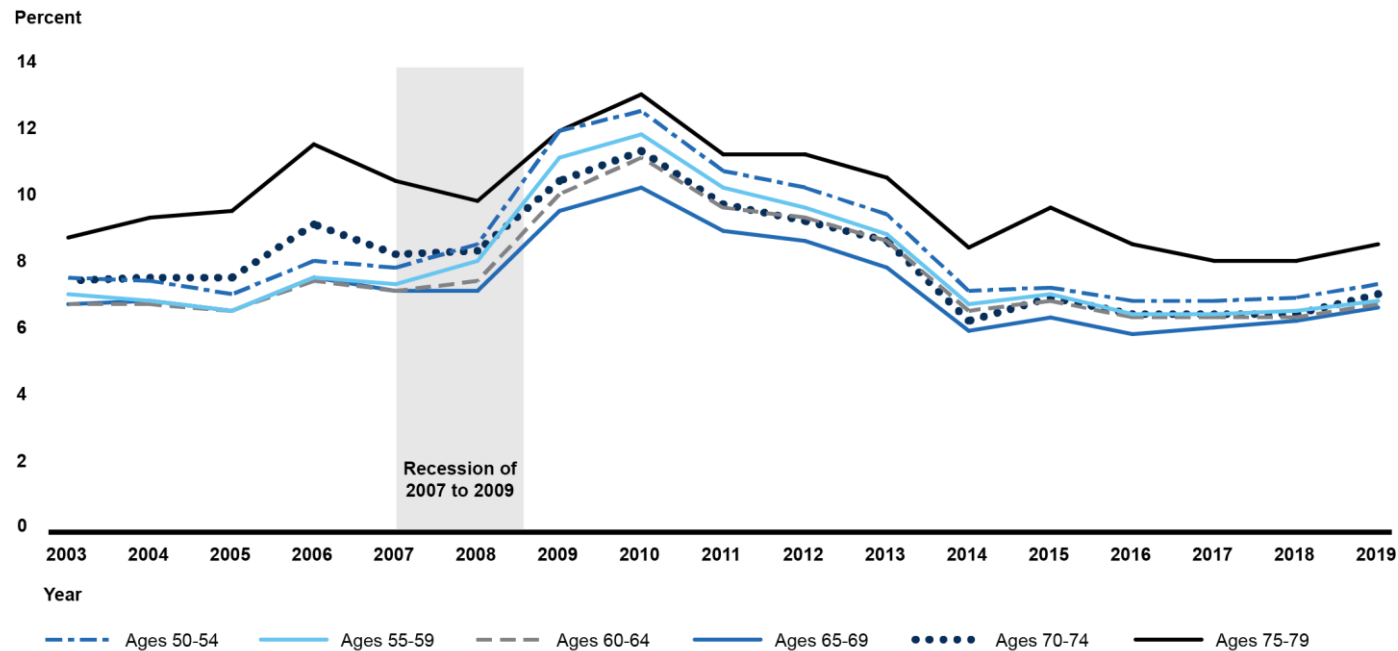
While the share of mortgage and credit card debt delinquent by 90+ days generally followed economic trends from 2003-2019, the share of student loan debt delinquent by 90+ days increased significantly



Source: GAO analysis of Federal Reserve Bank of New York Consumer Credit Panel / Equifax Data. | GAO-21-170

# Delinquent Credit Card Debt by Age

Individuals aged 75-79 consistently had higher shares of credit card debt delinquent by 90+ days than all other age groups from 50 to 74

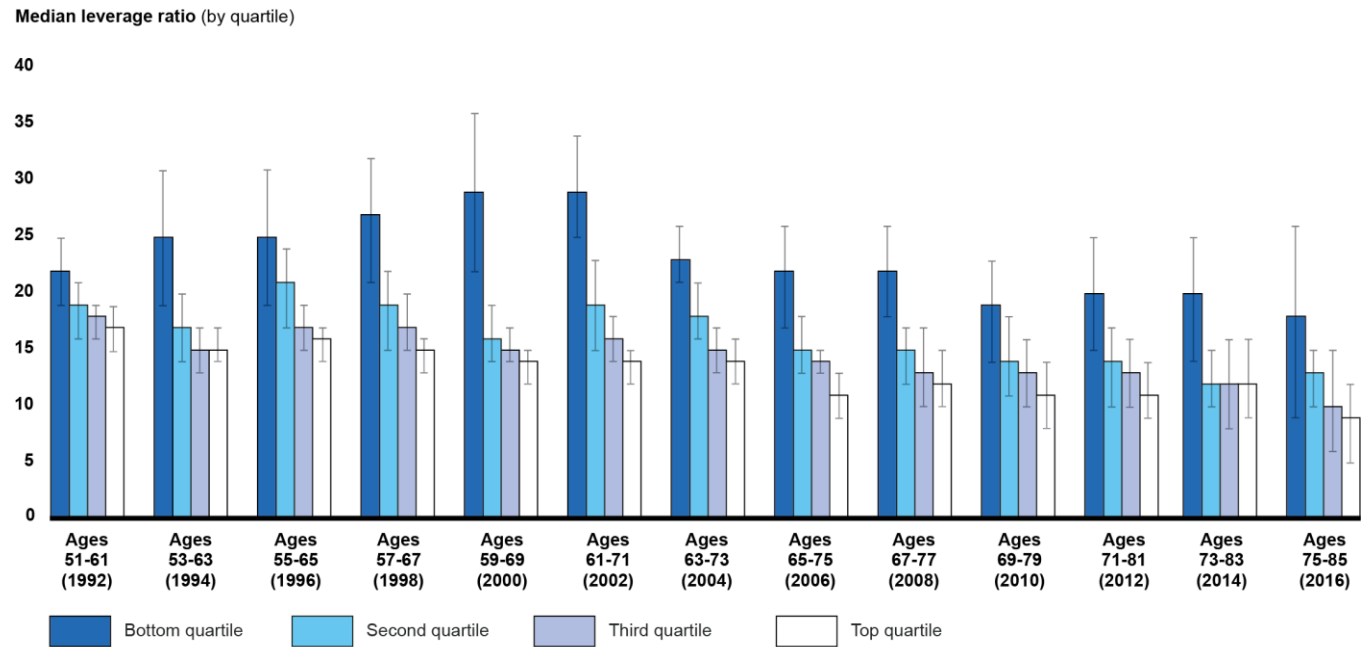


Source: GAO analysis of Federal Reserve Bank of New York Consumer Credit Panel / Equifax Data. | GAO-21-170



# Debt Trends as Older Households Age

While the median leverage ratio decreased as people aged, there were disparities by income level that increased between 1992 and 2016



Source: GAO analysis of 1992 through 2016 Health and Retirement Study data. | GAO-21-170



---

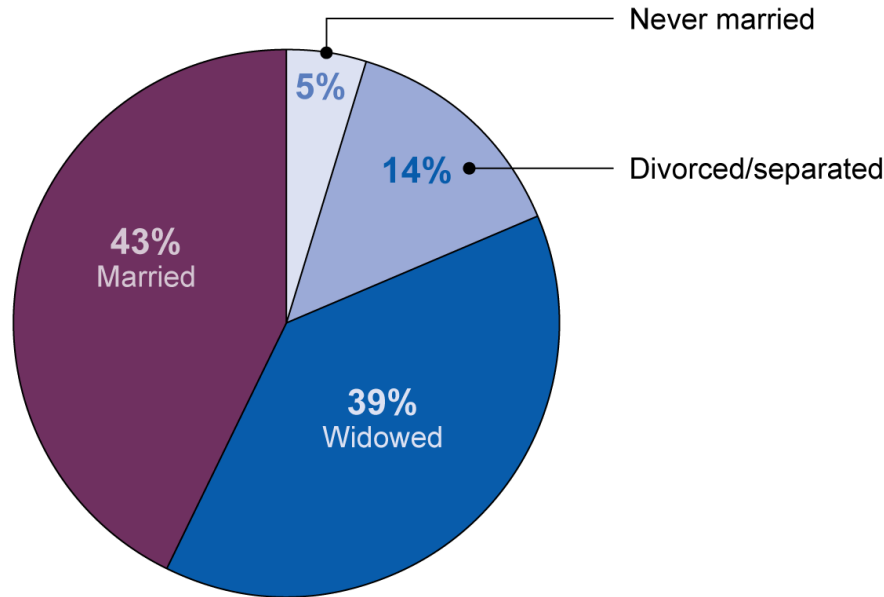
# Implications for Retirement Security Vary by Debt Type and Demographics

---

- Debt type – e.g. credit card vs. housing
- Demographics – age, race, income, state, credit score, and health
- Experts we spoke with in spring 2020 said it was too early to evaluate the retirement security implications of the recession caused by the COVID-19 pandemic.
- For more information, see the full report at <https://www.gao.gov/products/gao-21-170>

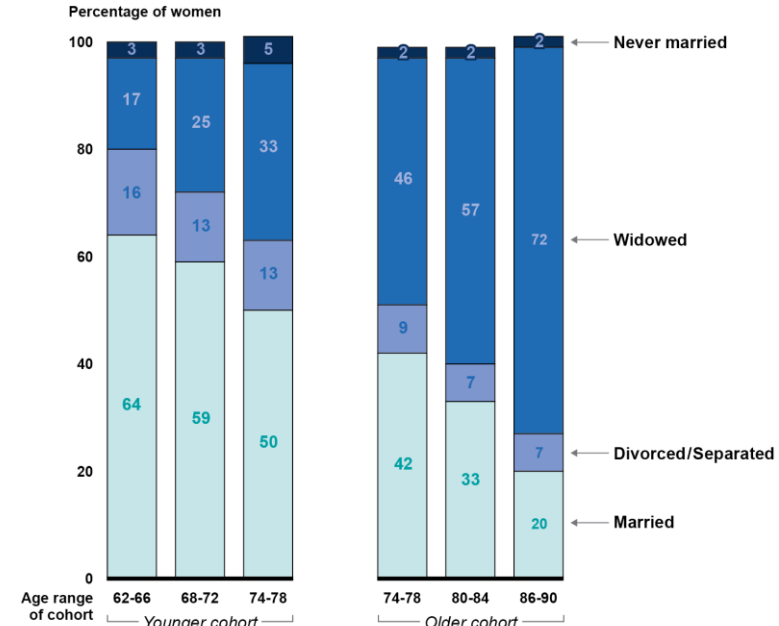
# Women Described How Changes in Marital Status Affected Their Retirement Security

## Women Age 70 and Over by Marital Status



Source: GAO analysis of 2019 Current Population Survey. | GAO-20-435

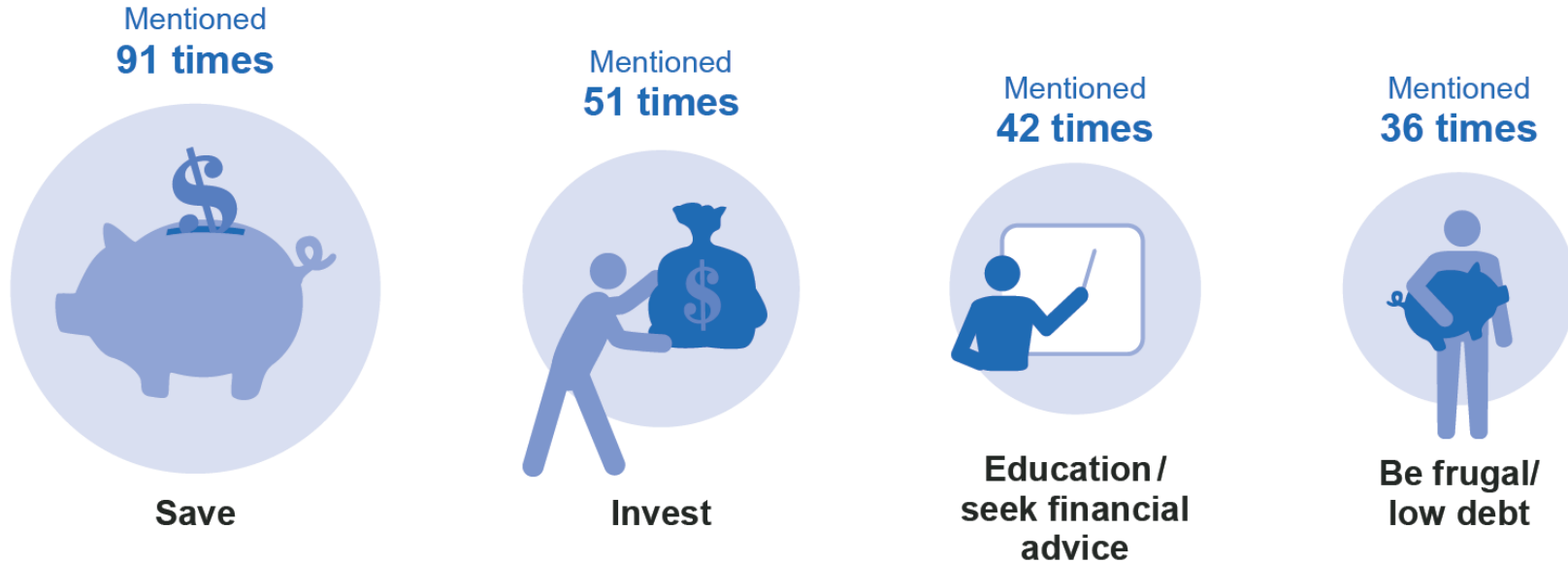
## Marital Status of Two Cohorts of Older Women over Time



Source: GAO analysis of RAND's Health and Retirement Study (HRS) data. | GAO-20-435

# Older Women Viewed Financial Independence as Fragile but Essential to Their Retirement Security

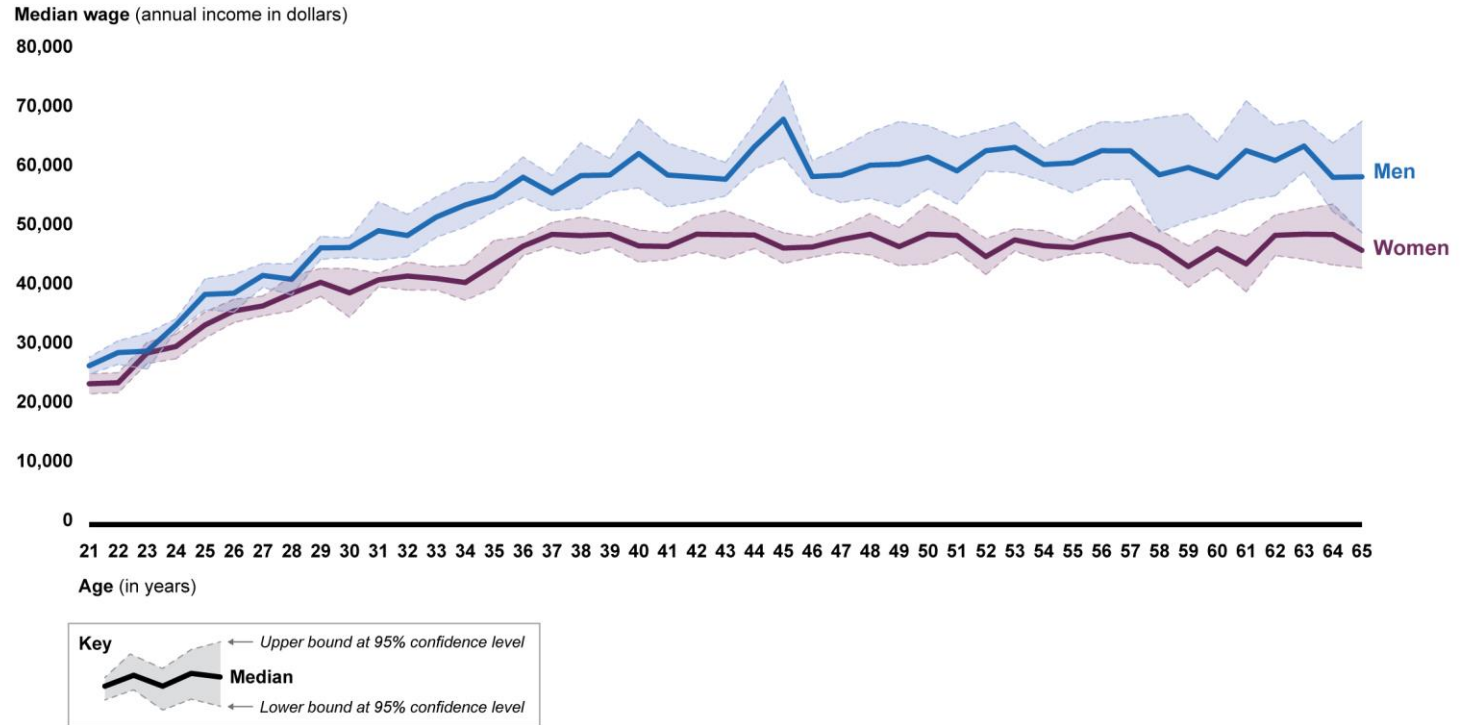
Top Four Pieces of Advice for Younger Women from Older Women on Our Written Questionnaire Given to Focus Group Participants



Source: GAO analysis of focus group participant questionnaire data. | GAO-20-435

# In more than half of our focus groups, women said that they experienced pay inequality during their careers

## Median Pay for Full-time Workers Ages 21-65 by Gender, 2019



Source: GAO analysis of 2019 Current Population Survey Annual Social and Economic Supplement. | GAO-20-435

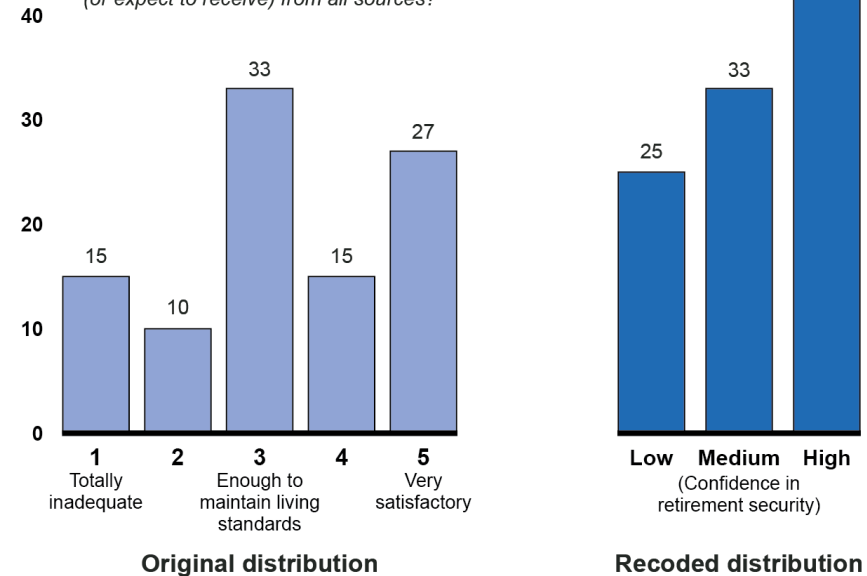
# Retirement Confidence as a Constructed Measure of Retirement Security

## Original and Recoded Estimated Distributions of Retirement Confidence

“Using any number from one to five, where one equals totally inadequate and 5 equals very satisfactory, how would you rate the retirement income you receive (or expect to receive) from all sources?”

Percentage of households with women 70 and older

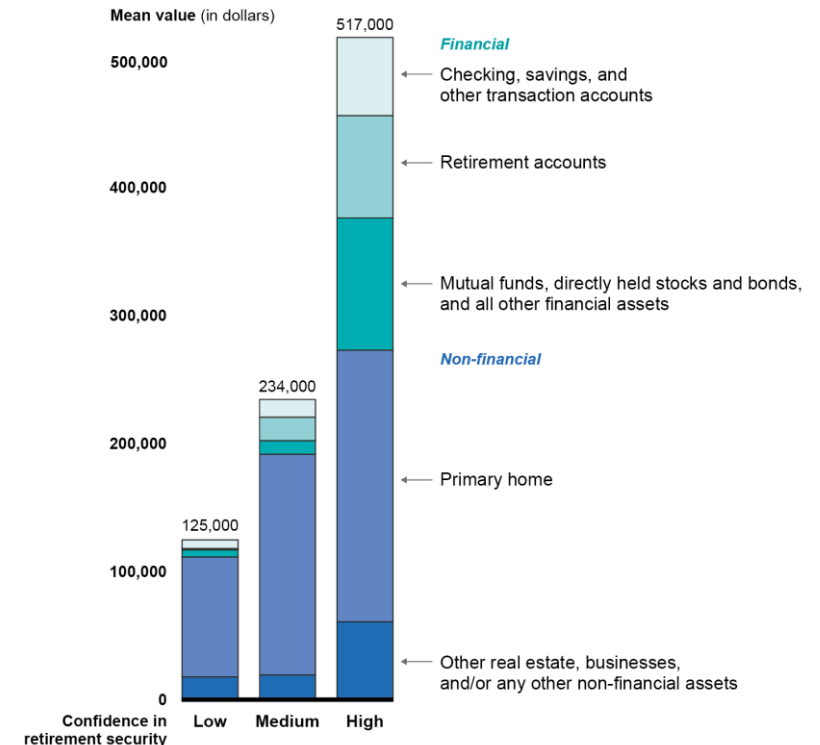
50 Using any number from one to five, where one equals totally inadequate and five equals very satisfactory, how would you rate the retirement income you receive (or expect to receive) from all sources?



Source: GAO analysis of the 2016 Survey of Consumer Finances. | GAO-20-435

# Financial and Non-Financial Assets of Households with Women 70 and Older, by Retirement Confidence Level

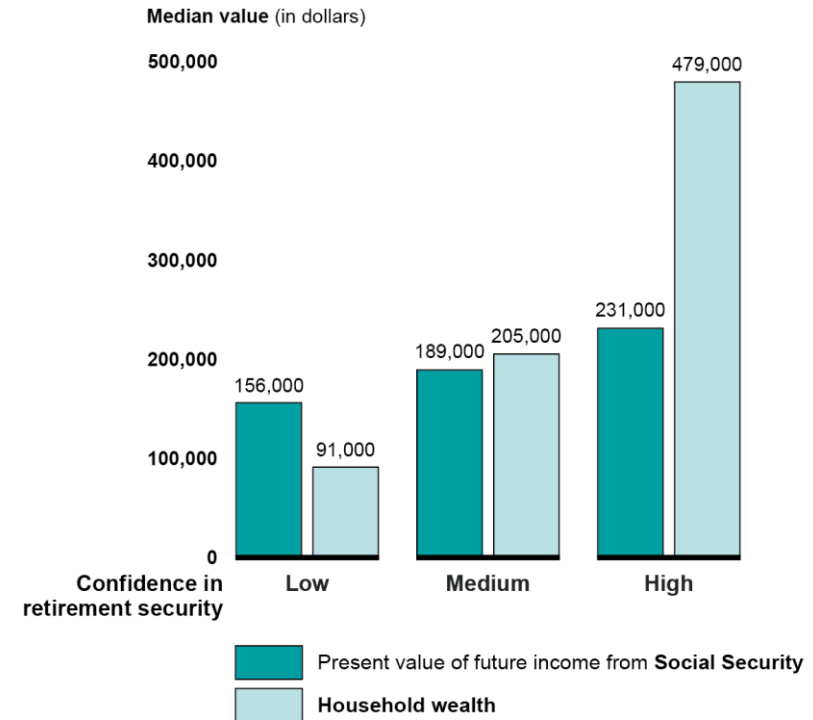
- Households reporting high retirement confidence had about six times the financial assets of those who reported a medium retirement confidence, and 18 times the financial assets of those reporting low retirement confidence
- We found that almost 40 percent of households with older women had less than \$5,000 in checking and savings accounts in 2016, and about 20 percent had less than \$1,000.
- Liquidity was a significant predictor of retirement confidence.



Source: GAO analysis of 2016 Survey of Consumer Finances. | GAO-20-435

# Present Value of Future Social Security Income Compared to Current Household Wealth for Households with Women 70 and Older, by Retirement Confidence Level

- Guaranteed income from defined benefit plans and Social Security are important sources of income for older women’s retirement security.
- The present value of future Social Security income was worth more than household wealth for about 40 percent of households with women age 70 and older.
- Women in two cohorts we studied increasingly relied on Social Security over time in retirement as their main source of income.
- See GAO-20-435 (<https://www.gao.gov/products/gao-20-435>) for the full report.



Source: GAO analysis of 2016 Survey of Consumer Finances. | GAO-20-435





---

### **GAO on the Web**

Connect with GAO on [LinkedIn](#), [Facebook](#), [Flickr](#), [Twitter](#), [YouTube](#) and our Web site: <https://www.gao.gov/>  
Subscribe to our [RSS Feeds](#) or [Email Updates](#). Listen to our [Podcasts](#) and read [The Watchblog](#)

### **Congressional Relations**

Orice Williams Brown, Managing Director, [WilliamsO@gao.gov](mailto:WilliamsO@gao.gov)  
(202) 512-4400, U.S. Government Accountability Office  
441 G Street, NW, Room 7125, Washington, DC 20548

### **Public Affairs**

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov)  
(202) 512-4800, U.S. Government Accountability Office  
441 G Street, NW, Room 7149, Washington, DC 20548

### **Strategic Planning and External Liaison**

Stephen J. Sanford, Acting Managing Director, [spel@gao.gov](mailto:spel@gao.gov),  
(202) 512-4707, U.S. Government Accountability Office,  
441 G Street NW, Room 7814, Washington, DC 20548

### **Copyright**

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

**QUESTIONS?**

**Center for Retirement Initiatives  
McCourt School of Public Policy**

600 New Jersey Avenue, NW, 4th Floor, Washington, DC 20001  
202-687-4901 | [cri.georgetown.edu](http://cri.georgetown.edu)

Angela M. Antonelli  
Executive Director  
[ama288@georgetown.edu](mailto:ama288@georgetown.edu)

Follow us on social media for updates



*GEORGETOWN*  
*UNIVERSITY*

---

**McCourt School** *of Public Policy*

**CENTER FOR  
RETIREMENT  
INITIATIVES**