

# GAO@100 Highlights

Highlights of [GAO-21-170](#), a report to congressional requesters

## Why GAO Did This Study

GAO reported in 2019 that an estimated 20 percent of older American households aged 55 or older had less than \$22,000 in income in 2016 and GAO reported in 2015 that about 29 percent of older households had neither retirement savings accounts (such as a 401(k) plan) nor a defined benefit plan in 2013. Older Americans held nearly half of the total outstanding debt in 2020—and these debts may affect retirement security. The Census Bureau projects the number of older Americans will increase.

GAO was asked to report on debt held by older Americans. This report examines (1) how the types, levels, and outcomes of debt changed for older Americans over time, including for different demographic and economic groups; (2) how the types and levels of debt held by the same older Americans changed as they aged, including for those in different demographic groups; and (3) the implications of these debt trends for the general retirement security of older Americans and their families.

GAO analyzed data from two nationally representative surveys—the SCF (1989 through 2016 data) and the HRS (1992 through 2016 longitudinal data)—and nationally representative administrative data from the Federal Reserve Bank of New York’s CCP (2003 through 2019). These datasets were the most recent available at the time of GAO’s analyses. GAO also reviewed studies and interviewed experts that GAO identified from these studies to further analyze the relationship between debt and retirement security.

View [GAO-21-170](#). For more information, contact Kris Nguyen, (202) 512-7215 or [NguyenTT@gao.gov](mailto:NguyenTT@gao.gov).

April 2021

## RETIREMENT SECURITY

### Debt Increased for Older Americans over Time, but the Implications Vary by Debt Type

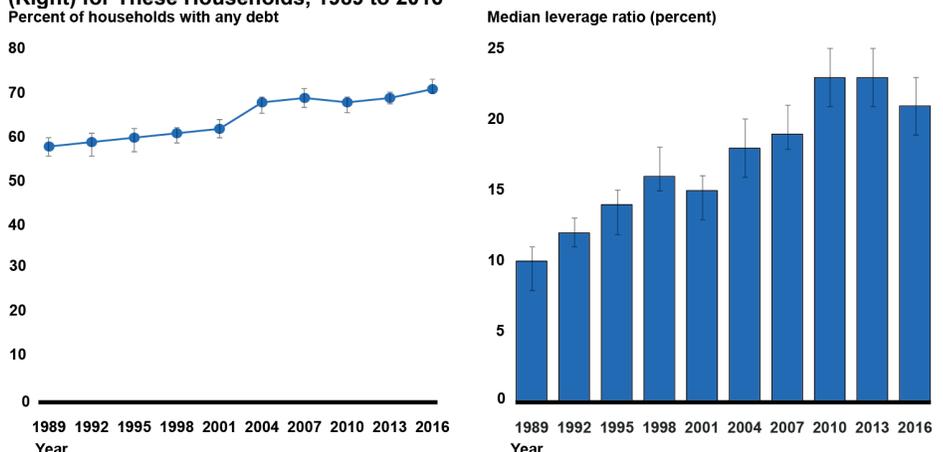
#### What GAO Found

Americans age 50 or older had significantly more debt in 2016 than in 1989, according to GAO’s analysis of Survey of Consumer Finances (SCF) data.

- Debt.** The share of older households with debt was 71 percent in 2016 compared to 58 percent in 1989 (see figure). The median debt amount for older households with debt was about three times higher in 2016 (\$55,300) than in 1989 (\$18,900 in real 2016 dollars) and the share of older households with home, credit card, and student loan debt was significantly higher in 2016 than in 1989.
- Debt stress.** The median ratio of debt to assets—known as the leverage ratio, a measure of debt stress—for older households was twice as high in 2016 than in 1989.
- Adverse debt outcomes.** Measures of older individuals’ adverse debt outcomes, including their share of mortgage and credit card debt that was late by at least 90 days, generally followed economic trends, peaking after the Great Recession of 2007-2009, according to GAO’s analysis of Consumer Credit Panel (CCP) data from 2003 to 2019. However, the share of student loan debt that was late was significantly higher for older individuals in 2019 than in 2003.

These trends in debt, debt stress, and adverse debt outcomes varied by older Americans’ demographic and economic characteristics, including their age, credit score, and state of residence. For example, from 2003 to 2019, individuals in their late 70s often had higher shares of credit card and student loan debt that was late than those aged 50-74. In addition, older individuals with credit scores below 720—including those with subprime, fair, or good credit—had median student loan debt amounts that were more than twice as high in 2019 as in 2003. Further, older individuals in the Southeast and West had much higher median mortgage and student loan debt, as well as student loan delinquency rates, in 2019 than in 2003.

**Percent of Households Age 50 or Older with Any Debt (Left) and Median Leverage Ratio (Right) for These Households, 1989 to 2016**



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

Note: The bars above and below the lines represent the bounds of 95 percent confidence intervals.

