

Chapter 6: Estimates of U.S. Personal Wealth



Personal Wealth, 1992-1995

by Barry W. Johnson

In 1992, there were almost 3.7 million adults with gross assets of at least \$600,000 in the United States. These “top wealthholders” had combined net worth of almost \$5.0 trillion. These individuals represented just over 2.0 percent of the total U.S. population in 1992, yet their wealth accounted for nearly 28.0 percent of total U.S. personal wealth [1]. By 1995, the number of top wealthholders had increased to 4.1 million with net worth of almost \$5.7 trillion. Some of the growth between 1992 and 1995, however, can be attributed to the modest inflation experienced during this period. After adjusting for inflation, the number of top wealthholders has actually declined since 1989, the last year for which SOI estimates were produced.

Background

The distribution and composition of personal wealth in the United States are topics of great interest among researchers and policy planners. Unfortunately, they are difficult issues to study because, while there are many sources of data available to examine income trends, data sources on wealth are scant. The few surveys that attempt to measure wealth tend to do a poor job of representing the wealthiest, and therefore most influential, individuals because of the relatively small size of this important group. One exception is the Survey of Consumer Finances (SCF) sponsored by the Board of Governors of the Federal Reserve System, a nationwide, household survey that collects extensive data on assets, debts, income, and attitudes about finances [2].

Administrative records, specifically the Federal estate tax return (Form 706), provide an alternative source from which to study wealth. Detailed descriptions of assets, debts, and expenses are reported for decedents with total assets at or above the filing threshold in effect at the time of death. The estate multiplier technique can be used to estimate the wealth of living individuals by using data from these tax returns. The fundamental assumption underlying this methodology is that estate tax returns, taken as a whole, represent a random sample, designated by death, of the living population. Estimates of the wealth holdings of the living population are derived by applying a multiplier, based on appropriate mortality rates, to this sample.

The estate multiplier technique was first used at the beginning of this century to estimate the wealth of Great

Britain from estate duty records and has been used in Australia, Italy, the Netherlands, and New Zealand as well [3]. Horst Mendershausen was the first to apply this technique in America, producing estimates of U.S. personal wealth for 1922-46, followed a few years later by James Smith and Robert Lampman [4]. The Statistics of Income (SOI) Division has been using the estate multiplier technique to estimate the wealth of living individuals since the 1960's.

The personal wealth estimates presented in this article are based on data from Federal estate tax returns. A decedent's estate has up to 9 months to file an estate tax return, and use of a 6-month extension is not uncommon. It is, therefore, necessary to sample returns filed over a number of calendar years in order to capture data representative of all estate tax decedents dying in a single year. In the recent past, SOI has combined returns filed over a 3-year period to produce estimates of wealth for a single year. The estimates presented here for 1992 continue this practice. The preliminary estimates for 1995, however, are based on 2 years of filings, adjusted for the remaining, unfiled returns. This was done in an attempt to provide more timely estimates; updated 1995 estimates will be published in the future. One of the strengths of the estate multiplier technique is the large sample upon which the estimates are based. The 1992 sample includes nearly 16,000 returns; the 1995 sample contains over 15,000 returns, both considerably larger than samples selected for other studies at comparable levels of wealth.

Limitations

While the sample size and richness of available data make this estimation technique attractive, there are limitations to be kept in mind. The most important is that “estate tax returns provide a presumably random sample, stratified by age, not of the total population, but of living persons with gross estate at or above the filing threshold” [5]. Research has proven that “individuals who are economically or socially better off also live longer and are healthier” [6]. Factors such as access to better health services, better diet and nutrition, fewer risks on the job, and access to better housing all seem to contribute to this phenomenon [7]. Therefore, determining a mortality rate appropriate to this sample poses a major challenge. Further, it has been shown that, while patterns of wealth holding appear quite robust over a variety of reasonable alternate assumptions about the multipliers, overall aggregate estimates are relatively sensitive to the selection of the mortality rates. This suggests that care should be taken not to give wealth concentration estimates undue emphasis [8]. (See the

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Appendix for a more complete discussion of the estate multiplier technique.)

Second, while estate tax returns are generally prepared by professionals and are, therefore, likely to be more accurate in detail than survey responses, the values reported are used to compute tax liability, so there is a natural tendency to report conservative values. This is especially true for hard-to-value assets, such as businesses and certain types of real estate. It should also be noted that the estate tax data used for these estimates are all pre-audit figures. Studies based on the results of IRS audits of estate tax returns suggest that undervaluation may range from 2 to 4 percent of net worth and to 40 percent or more when valuing ownership interests of less than 50 percent in small companies or partnerships [9].

Third, while estate tax returns report assets that are owned outright (what has been called prime wealth), total wealth includes wealth to which a person has an income interest but not necessarily actual title. Included in this group are most defined-benefit type pension plans. Finally, the wealth of individuals near death is likely to differ somewhat from that of the general population. For some, wealth will be reduced through expenses related to a final illness, while others will have made “property arrangements in anticipation of death or in recognition that an active life is over” [10]. Estate planning has become increasingly popular, explicitly promoting the goal of reducing the value of an estate reportable for tax purposes. Various lawful techniques are available to well-prepared individuals for either reducing or eliminating the value of assets, which otherwise would have been reported as part of a decedent’s estate.

Valuation Measures

The level of wealth to which these estimates apply is \$600,000 or more in gross estate, the estate tax filing limit in effect since 1987. The gross estate criterion is a Federal estate tax concept of wealth, which does not conform to usual definitions of wealth, primarily because it includes the face value of life insurance in the wealth of the decedent. Therefore, three measures of wealth are used in this article: gross assets (or gross estate), total assets, and net worth.

Gross assets reflects the gross value of all assets, including the full face value of life insurance reduced by policy loans, but excluding any reduction for other indebtedness. This measure defines the individuals included in the top wealthholder group. Total assets is a lower wealth value but is still essentially a gross measure. It differs from gross assets in that the cash, or equity, value of life

insurance (i.e., the value of insurance immediately before the policyholder’s death) replaces the “at death” value of life insurance included in gross assets [11]. Net worth, the level of wealth after all debts have been removed, also includes the equity value of life insurance.

1992 Estimates

There were an estimated 3,691,000 adults, age 21 and older, with gross assets of \$600,000 or more in 1992. These top wealthholders were responsible for debts and mortgages totaling more than \$607.5 billion. The combined net worth of this group was \$4.96 trillion. Just over 1.3 million of these individuals had net worth of \$1 million or more.

Males accounted for 65 percent of top wealthholders in 1992 and had combined net worth of almost \$3.2 trillion [12]. The average net worth of this group was \$1.33 million. An estimated 812,000 males, or about 34 percent, had net worth of at least \$1 million. Over 70 percent of them were married, while almost 17 percent were single, and just over 5 percent widowed (see Figure A).

Figure A

Top Wealthholders, 1992: Marital Status by Sex

Marital status	Males	Percentage	Females	Percentage
	(1)	(2)	(3)	(4)
Total.....	2,402,056	100.0	1,289,163	100.0
Married.....	1,690,772	70.4	610,886	47.4
Widowed.....	125,388	5.2	395,645	30.7
Single.....	387,902	16.2	141,519	11.0
Other ¹	197,994	8.2	141,113	10.9

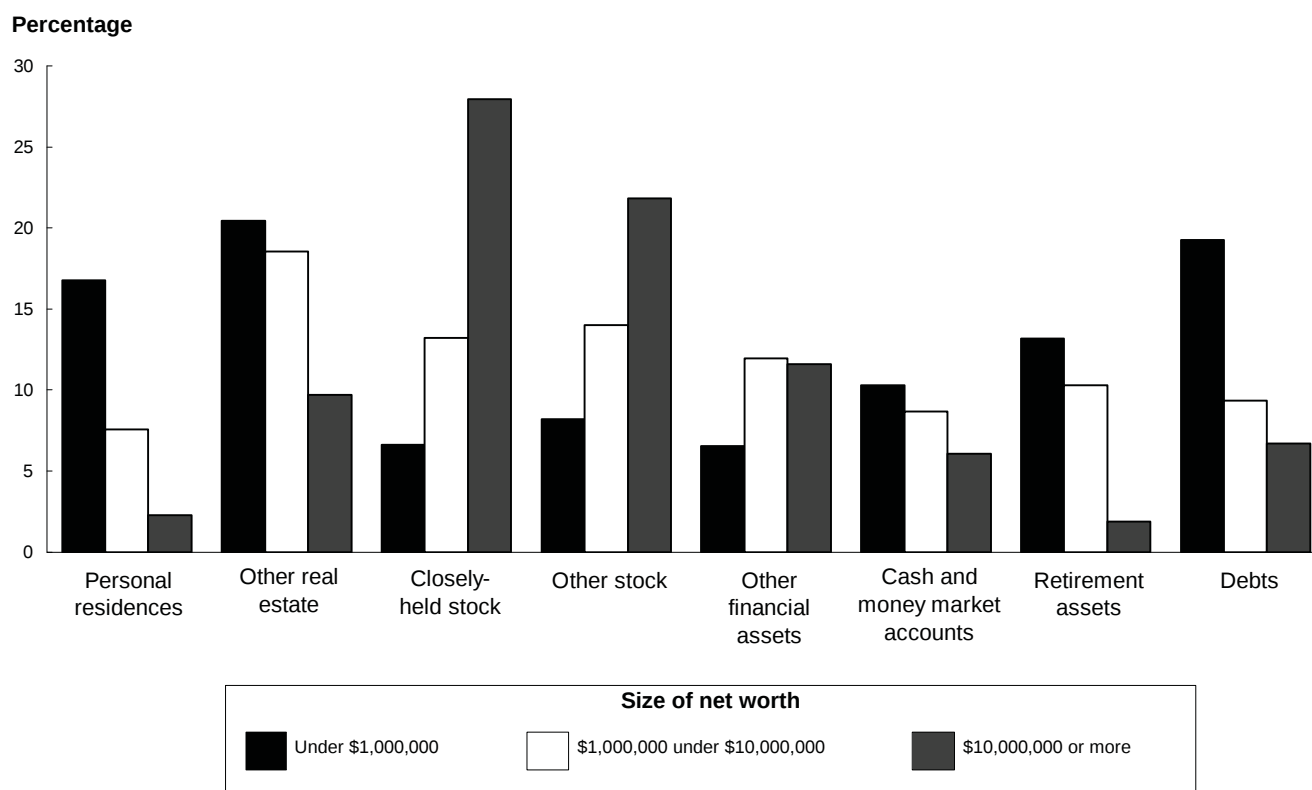
¹ Includes separated, divorced, and those for whom marital status is unknown.

NOTE: Detail may not add to totals because of rounding.

An analysis of the components of personal wealth for male top wealthholders reveals some striking differences between net worth classes [13]. Figure B shows that real estate comprised the largest share of the portfolio for males with total assets of at least \$600,000, but net worth of less than \$1 million. The personal residence accounted for almost 17 percent of the total, and holdings of other real estate, including investment, commercial, and recreational properties, made up another 20 percent. The average value of the personal residence was \$165,000. Investments in financial assets (e.g., stocks, bonds, and mutual funds) made up another 21 percent of their portfolio. For this group, retirement assets, such as individual

Figure B

Male Top Wealthholders, 1992: Selected Assets and Debts as a Percentage of Total Assets, by Size of Net Worth



retirement accounts (IRA's), 401(k) plans, etc., were a significant portion of their portfolio, accounting for over 13 percent of the total. The average value of these accounts was almost \$136,000. These individuals also held a relatively large amount of their assets, over 10 percent, in cash and cash-like investments, such as money market funds.

In contrast, the portfolio of males with net worth of \$10 million or more was dominated by investments in closely-held businesses, which accounted for almost 28 percent of the total for this group. Investments in publicly traded stock and other financial assets accounted for over 33 percent of the remaining total. Real estate, especially the personal residence, made up a minor portion of the portfolio; the average value of the personal residence was \$889,000. The share of the total assets held as cash (5 percent) or in retirement assets (2 percent) is much smaller than for the lower net worth group. On average, almost \$838,000 was held in retirement accounts.

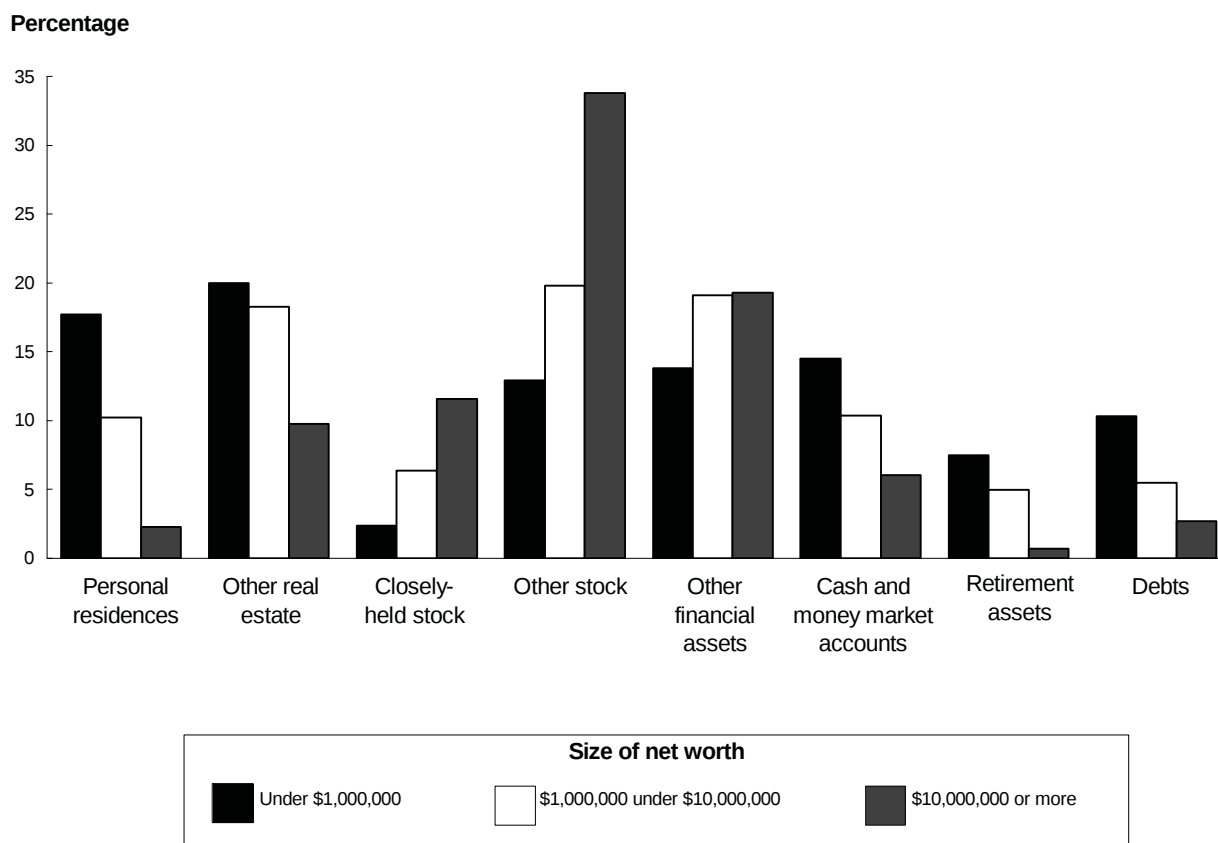
There were an estimated 1,289,000 female top

wealthholders in 1992 with combined net worth of almost \$1.8 trillion. The average net worth of this group was \$1.37 million, slightly higher than for male wealthholders. Just over 38 percent, or 490,000, had net worth of \$1 million or more, again, a slightly higher percentage than for males. Just over 47 percent of female wealthholders were married, while almost 31 percent were widowed; nearly 11 percent were divorced or separated, while 11 percent were single. The percentage of widowed females is almost six times that for males. This is indicative of both the longer life expectancy for women and the fact that property inherited from a previously deceased spouse is a significant source of wealth for some females.

Overall, women, at all levels of wealth, held a larger portion of their portfolio in financial assets than their male counterparts (see Figure C). They were, however, much less likely than males to own shares in a closely-held company. For top female wealthholders with net worth of less than \$1 million, real estate, including the personal residence, made up almost 38 percent of total assets. The average value of the personal residence was \$192,000.

Figure C

Female Top Wealthholders, 1992: Selected Assets and Debts as a Percentage of Total Assets, by Size of Net Worth



Another 29 percent of their portfolio was invested in financial assets. Cash, or cash-like investments, made up just over 14.5 percent of the total, more than for males with the same level of wealth. Conversely, retirement investments (almost 7.5 percent) accounted for a smaller share of the total assets than for males.

Financial assets also dominated the portfolio of the estimated 12,000 female top wealthholders with net worth of \$10 million or more in 1992. Nearly 65 percent of their wealth was held as stocks and bonds, including closely-held corporations, which made up more than 11.6 percent of the total. Real estate holdings (including the personal residence) made up another 12 percent of total assets for this group, nearly the same as for males in this wealth category; the average value of the personal residence for females in this group, \$751,000, was, however, significantly lower than that of their male counterparts.

Age

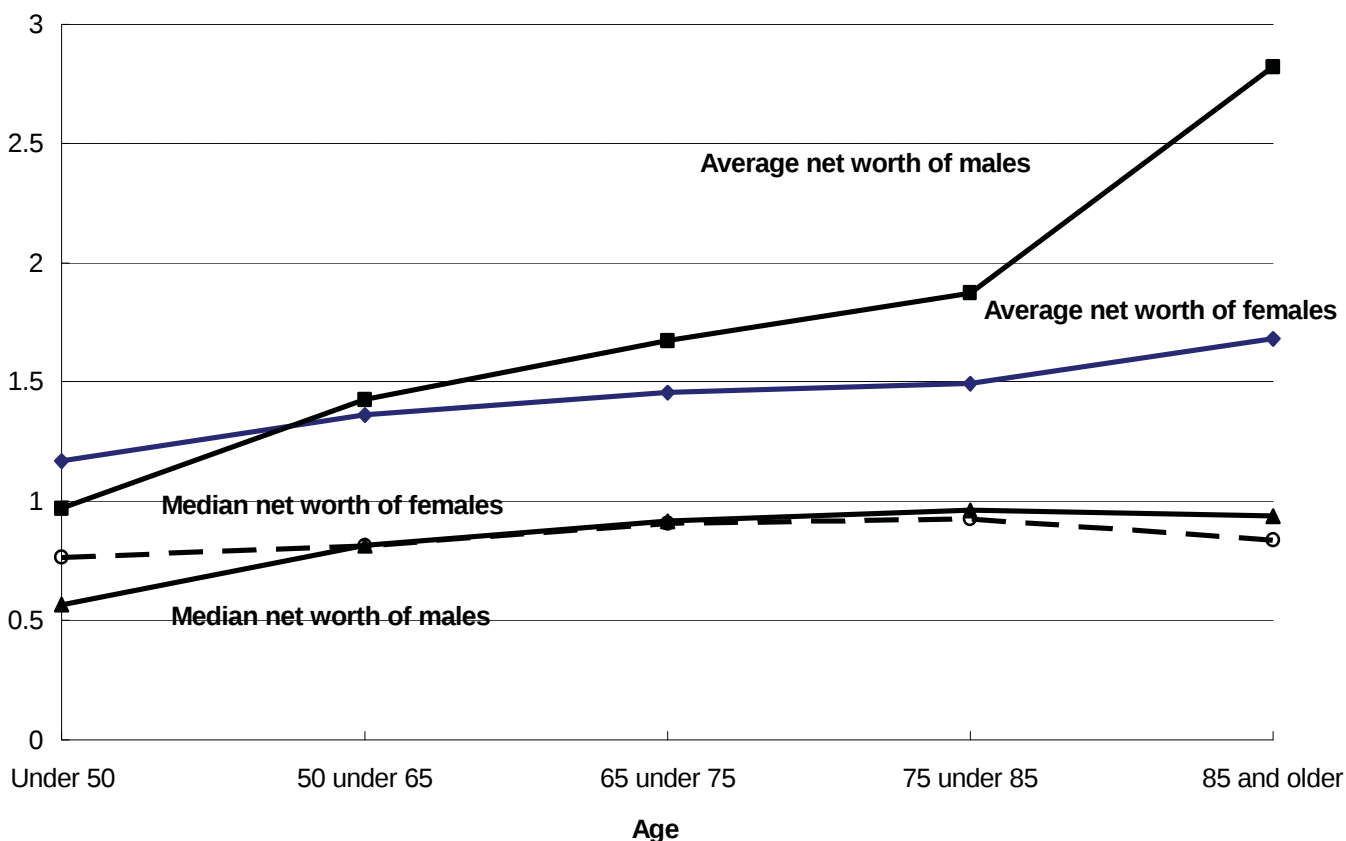
The average age of top male wealthholders was 54.4, while the average age for females was 60.8. Top male wealthholders under the age of 50 had an average net worth of \$969,000. The average for females in the same age group was higher, nearly \$1.2 million. The average net worth for males was higher than that of females for all but this lowest age group. Figure D shows that average net worth increases with age for both males and females. This is an interesting result because it seems to contradict the popular life cycle theory of individual savings, which would predict that net worth would increase during an individual's work life as one saved for retirement, and then decrease as savings were used for living and health care expenses incurred after retirement.

The range of net worth values within sex and age categories was quite broad. In such cases, it is often better

Figure D

Top Wealthholders, 1992: Average and Median Net Worth by Sex and Age

Millions of dollars



to use the median as an indicator of the middle of a distribution, rather than the arithmetic mean or average. Looking at the median value, shown in the same figure, gives a somewhat different picture. The median value of net worth for men under age 50 was again less than that of females in the same age group. However, the median values of net worth for all ages over 50 were nearly identical for males and females. In addition, the median increased slightly for both groups up to age 85 and then declined. This result is consistent with the life cycle theory, although it seems to suggest that dis-saving begins very late in life for the wealthy and may never occur for the very wealthiest individuals in society.

The data indicate that, as men aged, the composition of their portfolio changed. Debts, as a percentage of total assets, also declined with age, from almost 20 percent for

men under age 50 to less than 5 percent for those age 65 and older. Figure E shows that, for top male wealthholders under age 65, real estate investments and investments in closely-held corporations accounted for the largest shares of their portfolio. The share of total assets made up of retirement assets peaked for men between the ages of 50 and 65 and declined sharply after that. For men age 65 and older, the percentage of investments in tax-exempt securities and publicly traded stocks increased, while investments in all forms of real estate and closely-held business declined sharply.

Females of all ages had a significantly lower ratio of debts to assets than comparably aged males. Investments in all forms of real estate made up the largest portion of the portfolio of women under age 65 (see Figure F). Investments in retirement assets peaked for females

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Figure E

Male Top Wealthholders, 1992: Selected Assets and Debts as a Percentage of Total Assets, by Age

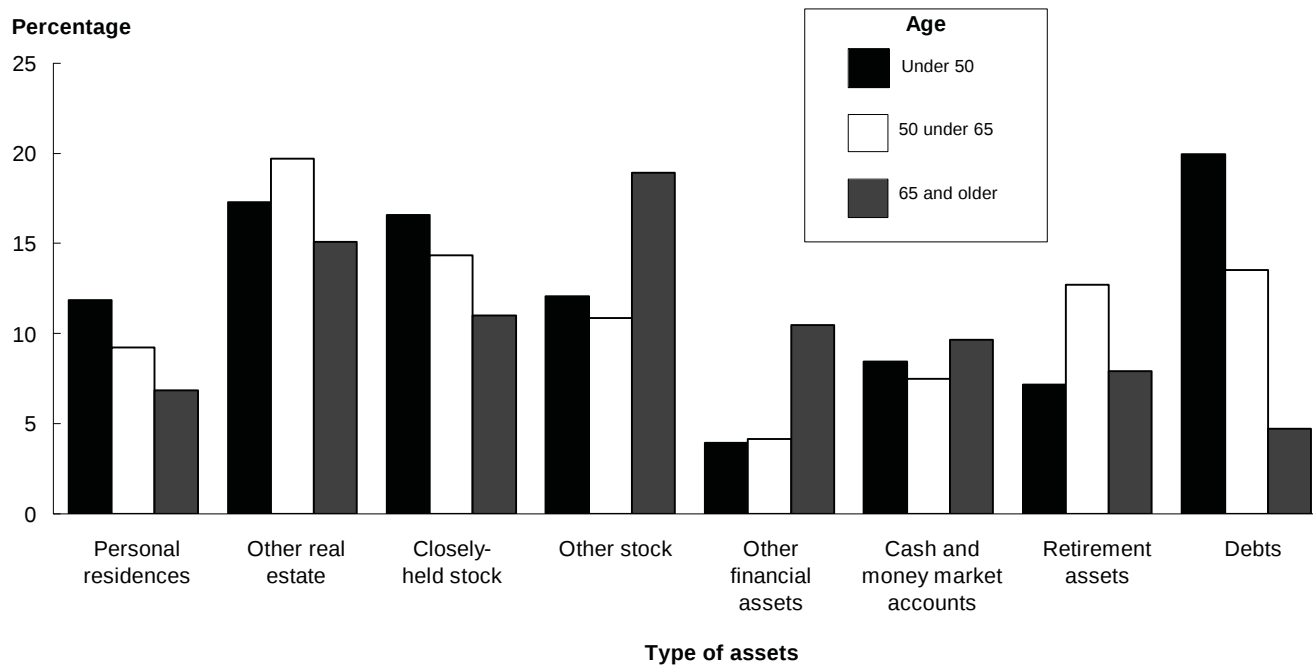
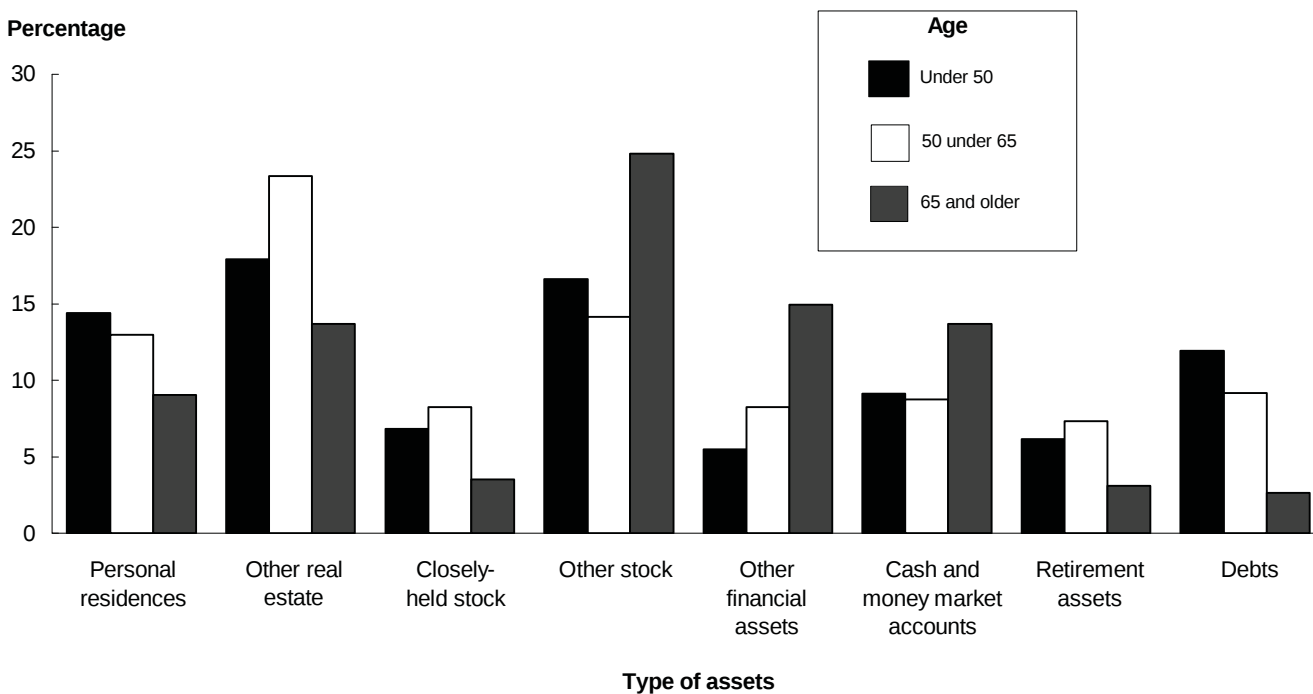


Figure F

Female Top Wealthholders, 1992: Selected Assets and Debts as a Percentage of Total Assets, by Age



between the ages of 50 and 65. The percentage of wealth invested in publicly traded stock, tax-exempt bonds, and cash increased for women over age 65. Investments in real estate, other than the personal residence, made up a much larger share of the portfolio of women between the ages of 50 and 65 than for those in the lower age group, and decreased sharply for those age 65 and older.

Geographic Distribution of Wealth

Estimates of personal wealth derived using the estate multiplier technique for small segments of the population, (for example, the very wealthiest individuals by state of residence), are subject to significant sampling variance and should therefore be interpreted with caution, especially for states with relatively small populations. Nevertheless, there is much interest in the geographic distribution of wealth. Figure G shows the number of individuals with net worth of at least \$1 million by state, for states with the largest number of resident "millionaires." Not surprisingly, California, with its large population, led with almost 237,000 millionaires, 18 percent of the total. It was followed by New York and Florida with over 100,000 resident millionaires each. Texas, New Jersey, and Pennsylvania rounded out the list. Together, these 6 states accounted for more than half of U.S. millionaires.

Looking at the number of millionaires on a per capita basis presents a somewhat different picture of wealth in this country by eliminating the distortion caused by the

large populations of some states [14]. For instance, the District of Columbia, which ranks forty-sixth by size of population, had the highest concentration of millionaires, 1,177 per 100,000 residents. Using this measure, California, with almost 12 percent of the total U.S. adult population, ranked third, with approximately 1,046 millionaires per 100,000 residents. Figure H separates the country into 3 groups by the per capita number of millionaires. It shows that individuals with net worth of \$1 million or more are most concentrated in the Northeast and on the West coast.

Preliminary 1995 Estimates

Preliminary estimates for 1995 indicate that there were just over 4,137,000 individuals with gross assets of at least \$600,000 in the United States. This group had combined net worth of almost \$5.7 trillion. Almost 1.5 million of these top wealthholders had net worth of at least \$1 million. While these estimates have increased somewhat since 1992, some of this increase is due to inflation as will be discussed in the next section.

Just under 63 percent of these top wealthholders were males, a slight decrease from 1992 (see Figure I). Most males, 70 percent, were married; 15 percent were single; and 9 percent were either divorced or separated. The average age for males was 55.6, higher than in 1992. Just over 48 percent of females were married, while almost 32 percent were widowed, and 9 percent were divorced or separated. The average age for females was 61.5, again, higher than in 1992. In general, mortality rates in the U.S. have been declining, due in part to a decrease in mortality from heart disease, cancer, homicide, and liver disease [15].

Investments in stock made up the largest share of assets held by male top wealthholders, comprising 29.5 percent of the total, an increase over the 27.8-percent share held as equities in 1992 (see Figure J). Nearly half of this total consisted of interests in closely-held corporations. Real estate investments, including the value of a personal residence, made up another 24.6 percent of total assets held by males in 1995, a decrease from 26.9 percent in 1992. The percentage of total assets apportioned to retirement assets, such as IRA's and 401(k)'s, increased from 9.5 percent in 1992 to 12.7 percent in 1995, indicative of the declining popularity of defined-benefit pension plans in favor of contribution type plans. Cash comprised only 5.3 percent of total assets for males in 1995, down from nearly 8.5 percent in 1992.

Figure G

States With the Largest Number of Resident Millionaires Based on Net Worth, 1992

State	Number of millionaires (in thousands)	Population (in thousands)	Millionaires as a percent of of state population
	(1)	(2)	(3)
Total.....	1,306	188,915	0.69
California.....	237	22,444	1.05
New York.....	133	13,697	0.97
Florida.....	108	10,382	1.04
Texas.....	72	12,584	0.57
New Jersey.....	59	5,926	1.00
Pennsylvania.....	54	9,165	0.60
All other states.....	643	114,717	0.56

Figure H

Concentration of Top Wealthholders With Net Worth of \$1 Million or More, by State, 1992

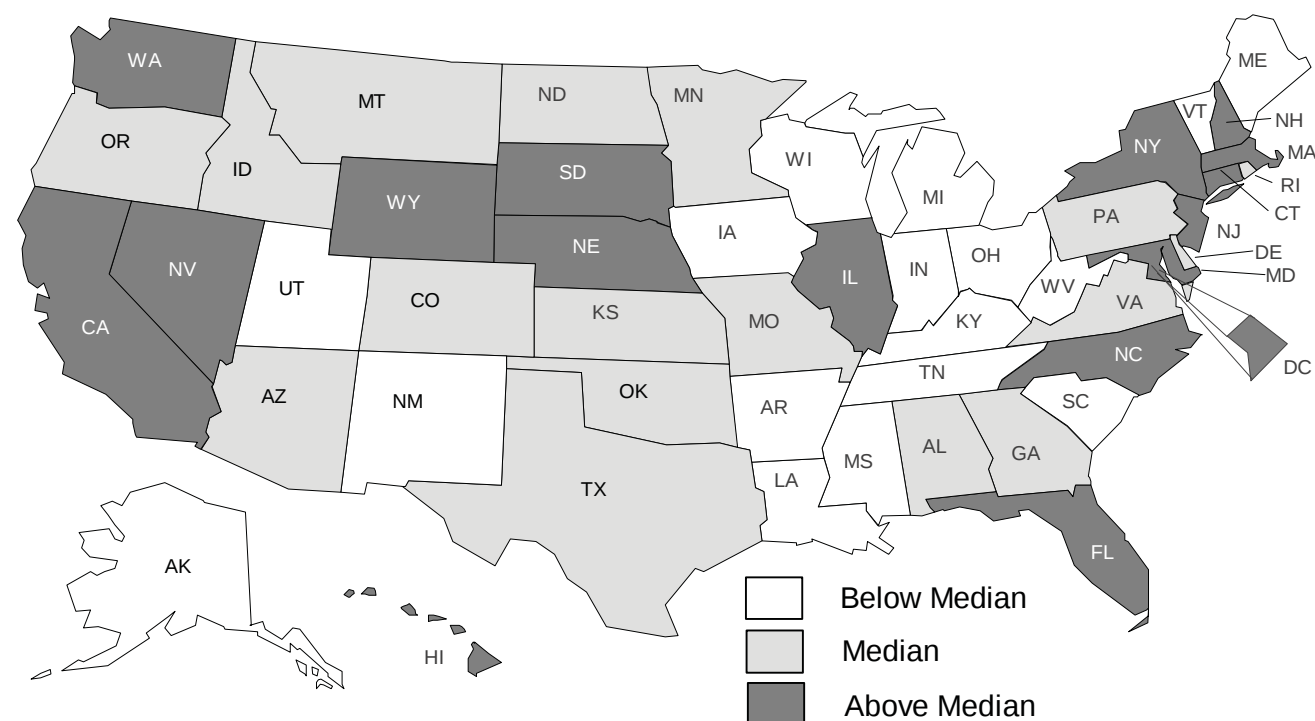


Figure I

Top Wealthholders, 1995: Marital Status, by Sex

Marital status	Males	Percentage	Females	Percentage
	(1)	(2)	(3)	(4)
Total.....	2,594,361	100.0	1,543,497	100.0
Married.....	1,818,124	70.0	741,233	48.0
Widowed.....	170,312	6.6	492,095	31.9
Single.....	398,693	15.4	171,724	11.1
Other ¹	207,231	8.0	138,444	9.0

¹ Includes separated, divorced, and those for whom marital status is unknown.
NOTE: Detail may not add to totals because of rounding.

Figure K shows that females invested nearly equal amounts in stock and real estate. Investments in stock accounted for 26.7 percent of total assets, up from 25.2

percent in 1992. Of the 26.7-percent share of their portfolio made up of real estate, the personal residence accounted for 11.2 percent, a larger percentage of the total than for their male counterparts. Female investors held 17.6 percent of their portfolio in bonds and mixed objective mutual funds, a much larger portion than for males in 1995. Like for males, however, the percent of cash in female portfolios declined between 1992 and 1995, falling from 11.1 percent to 7.1 percent.

Changes, 1989-1995

The single most significant economic event marking the period between 1989 and 1995 was the recession, which began at the end of 1990. This recession officially ended in March 1991, but recovery was slow and uneven. Between 1992 and 1995, civilian unemployment fell from 7.5 percent to 5.6 percent [16], while inflation maintained an average of about 2.5 percent [17]. Standard and Poor's

Figure J

Male Top Wealthholders, 1995: Portfolio Composition

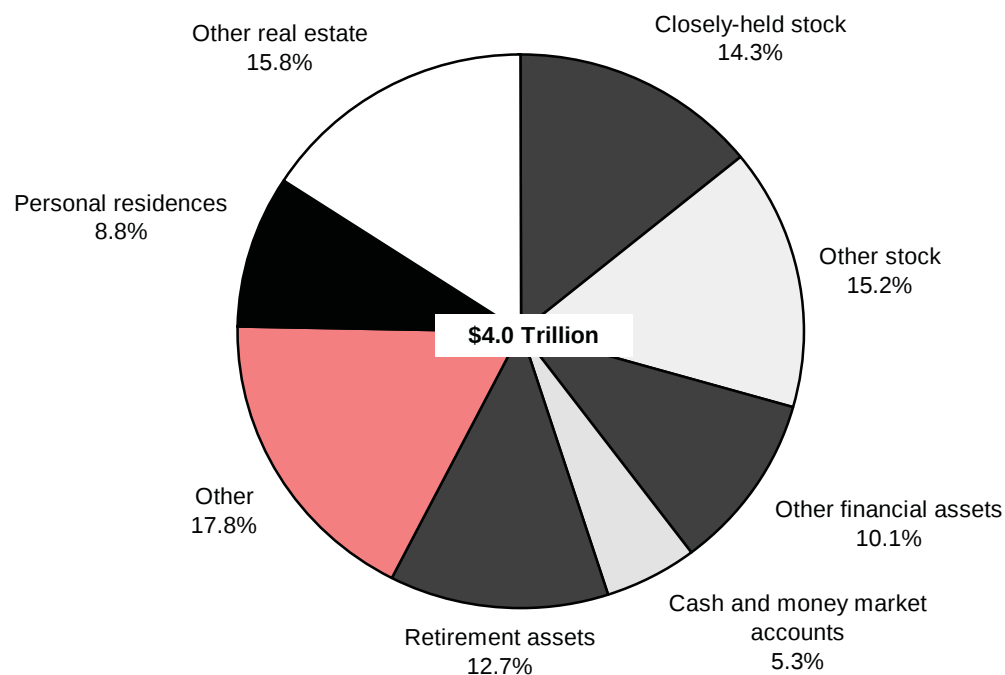
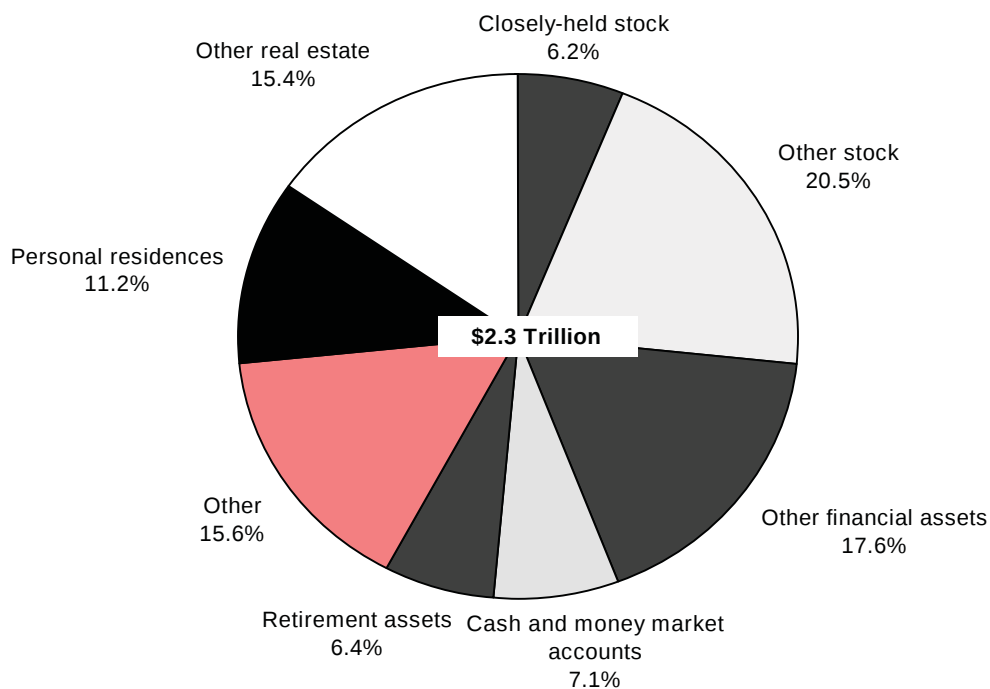


Figure K

Female Top Wealthholders, 1995: Portfolio Composition



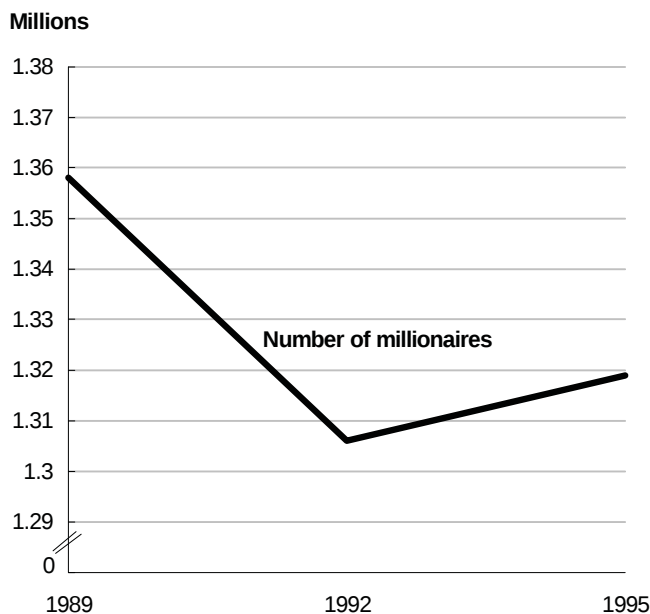
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common stock index increased 30.3 percent between 1992 and 1995. Investment opportunities experienced steady growth as the number of mutual funds, particularly in no-load funds, continued to expand [18].

Figure L shows the number of individuals with at least \$1 million in net worth in 1989-1995 (the figures are in constant 1992 dollars to eliminate the effects of inflation). The number of millionaires declined between 1989 and 1992 but increased very slightly between 1992 and 1995. Overall, for 1989-1995, there was a slight decline. Likewise, Figure M shows that the total amount of net worth held by this group declined between 1989 and 1992, and then increased slightly by the end of the period, with an

Figure L

Number of Top Wealthholders With Net Worth of \$1 Million or More, Selected Years, 1989-1995



overall decline between 1989-1995.

Another way of looking at the year-to-year changes is to look at the share of total U.S. wealth held by a constant percentage of the population. Some estimates indicate that the share of wealth held by the top 1 percent of the population increased during the 1980's, making the distribution of wealth in the United States more unequal than in much of Europe [19]. An increase in the inequality of wealth in the United States raises important concerns for policy planners and tax experts. Figure N shows the percentages of total U.S. personal wealth held by the

Figure M

Total Assets and Net Worth of Millionaires, Selected Years, 1989-1995

[All money amounts are in constant 1992 dollars]

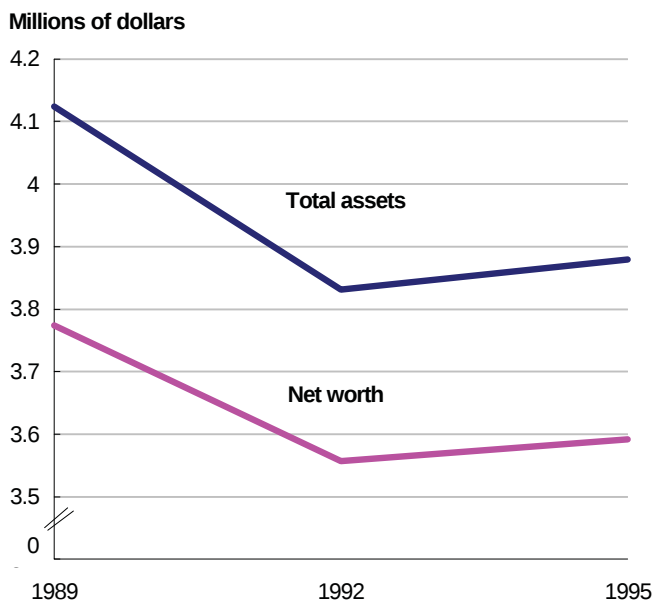
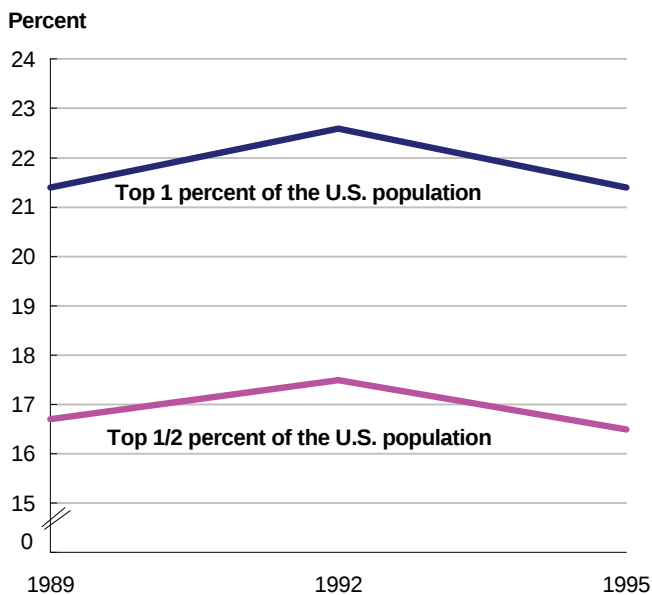


Figure N

Percent of Total U.S. Net Worth Held by the Top 1 Percent and Top 1/2 Percent of the U.S. Population



Personal Wealth, 1992-1995

top 1 percent and top 1/2 percent of the population, 1989-1995 [20]. In 1995, the top 1 percent held 21.4 percent of total U.S. personal wealth, the same as in 1989. While the figure shows a slight increase in 1992, this percentage remained relatively stable over the 6-year period, given the margin of error for these estimates. The same is true for the share of wealth held by the top 1/2 percent of the population who held about 17 percent of the nation's net worth over the entire period. These results suggest that, while the nominal wealth of the nation's top wealth-holders increased between 1989 and 1995, it did not do so at a rate any different than that for the general population. In other words, the rich did not get "richer" at the expense of those on the lower rungs of the wealth distribution. These results are consistent with those derived from the 1989-1995 Surveys of Consumer Finances [21].

Appendix: The Estate Multiplier Technique

The estate multiplier technique assumes that estate tax returns, taken as a whole, represent a random sample of the living wealthy population and thus provide a means of producing reasonable estimates of personal wealth. The multiplier is equivalent to a sampling weight where the probabilities of selection include the probability of being a decedent and that of being included in the SOI sample of estate tax returns. The more difficult computation is determining the probability of being a decedent. The probability that a person will die in any given year depends on many factors. Age and sex have often been taken as the most important factors relating to mortality. Mortality rates for the general population, by age and sex, available from the National Center for Health Statistics, provide the basis for our estimates [22]. However, as mentioned, there is much evidence that the wealthy have mortality rates significantly lower than those of the entire population. Therefore, an adjustment to general mortality rates is necessary to reflect the difference between probability of death for wealthy decedents and for the general population.

Estate Tax Return Sample

The estimates of wealth for 1992 are based on a sample of estate tax returns filed for 1992 decedents during 1992-94; estimates for 1995 are based on returns filed for 1995 decedents during 1995-1996. Sampling rates varied from 3.0 to 100 percent, with weights appropriate to each year maintained. Returns filed in several calendar years are combined in order to get a representative sample of all decedents who died in a single year. Nearly 99 percent of all returns for a particular death cohort are filed within 3 years of death. Sample weights are adjusted to account

for unfiled returns. For the 1992 estimates, the number of returns filed more than 3 years after death was modeled using IRS master file data and an appropriate adjustment calculated using these results. A similar adjustment was calculated for returns filed more than 2 years after death for the 1995 estimates.

Although the overall sample of estate tax returns is large, the number of young (under 40 years of age) or extremely wealthy (gross assets of \$5 million or more) decedents tends to vary from year to year and is relatively small in comparison to their representation in the living population [23]. The limited number of returns filed each year for decedents who were young or very wealthy can make results for these categories subject to considerable variance [24]. This can result in significant short-term fluctuations in our estimates attributable solely to the "sample variance" associated with these two groups. To dampen the effect of these variations, we "smooth" the sample by including all returns for these individuals filed between 1992 and 1994 (for 1992 estimates) and 1995-1996 (for 1995 estimates), without regard to the year of death. These segments of the sample are then post-stratified and reweighted to represent the true decedent populations in 1992 and 1995, respectively. This technique reduces the effect of outliers on estimates of the type and amount of wealth held by the young and very wealthy.

Differentials

There have been a considerable number of attempts to quantify mortality differences between the general population and the wealthy, looking at factors such as education, income, and occupation, focusing mainly on white males. The first U.S. estimates of personal wealth from estate tax returns used data on the mortality experience of the Metropolitan Life Insurance Company for large, whole life insurance policies to adjust mortality rates. Similar data have been used by SOI for all of its subsequent wealth estimates. One drawback to this has been the inability to calculate sex-specific differentials from this data. The estimates presented here are the first produced by SOI to take advantage of an alternate data set, the National Longitudinal Mortality Study (NLMS) produced by the National Institutes of Health [25].

The NLMS is a random sample of 1.3 million people in the U.S. of all ages, races, and sexes, in the civilian, non-institutionalized population, drawn mainly from the Census Bureau's Current Population Survey. Interviews were done by telephone with a 96-percent response rate. Most respondents were at least 14 years of age. Mortality

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was determined by linking the Census data to the National Death Index.

Because the NLMS did not contain information on a respondent's wealth, income and occupation were used to compute the mortality differentials. Using occupation data coded from Federal estate tax returns, it was determined that a majority of decedents for whom an occupation was reported were employed as professionals, managers, sales persons, or farm owners/managers; the computation was, therefore, limited to NLMS respondents in those occupation categories. Income on the NLMS public-use file is categorized in 7 categories with \$50,000 or more as the top level. A preliminary file linking 1989 decedents with income tax returns filed prior to death was used to choose appropriate levels of income for this analysis [26]. Differentials were calculated within age and sex groups by comparing the mortality of all file decedents with those whose income and occupational characteristics were most similar to those of the estate tax decedents. The resulting differentials are shown in Figure O.

The differences between the general mortality and the mortality of individuals with characteristics similar to the estate tax decedent population are slightly larger for males than those used in earlier SOI published estimates, but seem to be in line with estimates by other researchers [27]. Separate differentials for females are calculated for the first time and are notably smaller than those for males. These results are consistent with those published by the National Institutes of Health.

Multipliers

The final estate multipliers are computed as:

$MULT = 1 / (p * r * d)$ where:

p = probability of selection to the estate tax sample,

r = mortality rate,

d = rate differential.

The multipliers used in these estimates range from 1.8 to 1876.8 for the 1992 estimates and 2.8 to 1660.8 for the 1995 estimates. Multipliers were trimmed for cases with large net worth so that the resulting distribution resembled a pareto distribution, which is often used in wealth and income models. Multipliers for cases with large negative net worth were constrained to the median [28].

Notes and References

- [1] Estimates of the total wealth of the U.S. are household estimates found in: Kennickell, Arthur and Woodburn, Louise, "Consistent Weight Design for the 1989, 1992, and 1995 SCF's, and the Distribution of Wealth," working paper, 1997, pp. 27-29. The Survey of Consumer Finances is a household survey, but SOI figures are estimates of individual wealth. While estimates of the total distribution of household wealth should be comparable to the distribution of total individual wealth, estimates for specific points on the distributions will not be identical since some households are made up of more than one individual. For example, the number of households with assets of \$1 million or more would include single individuals with at least \$1 million, as well as two-person households where each of the individuals had assets of less than that threshold but combined household wealth at or above \$1 million. On the other hand, while individuals in the first group would be included in SOI estimates of individuals at that threshold, individuals in the second type of household would not be included.
- [2] Ibid., pp. 3-6. The survey uses a dual-frame sample design, which over-samples the very wealthy in order to ensure that they are adequately represented in the final database.
- [3] For the first estimates of personal wealth produced using the estate multiplier technique, see Mallet, Bernard, "A Method of Estimating Capital Wealth from the Estate Duty Statistics," *Journal of the Royal Statistical Society*, Vol. 71, 1908, pp. 65-84.
- [4] See Lampman, Robert, *The Share of Top Wealthholders in National Wealth*, Princeton University Press, Princeton, NJ, 1962, and Smith, James, "Estimating the Wealth of Top Wealth- Holders from Estate Tax Returns," *Compendium of Federal Estate Tax Data and Personal Wealth Studies*, Dept. of Treasury, IRS Publication 1773, 4-94, pp. 335-354.
- [5] Ibid., p. 36.

Figure O

Mortality Differentials, by Age and Sex

Age	Males (percentage)	Females (percentage)
	(1)	(2)
Under 35.....	49.7	88.5
35 under 45.....	45.0	78.8
45 under 55.....	56.6	77.4
55 under 65.....	56.0	79.9
65 under 75.....	65.1	86.6
75 under 85.....	93.9	87.3
85 and older.....	100.0	100.0

Personal Wealth, 1992-1995

- [6] Wolfson, Michael; Rowe, Geoff; Gentleman, Jane; and Tomiak, Monica, "Earnings and Death - Effects Over a Quarter Century," unpublished manuscript, 1990, p. 36.
- [7] Menchik, Paul, "Economic Status as a Determinant of Mortality Among Nonwhite and White Older Males: or, Does Poverty Kill?," Institute for Research on Poverty, Discussion Paper Number 93691, 1991, p. 6.
- [8] Scheuren, Frederick, "Historical Perspectives on IRS Wealth Estimates With a View to Improvements," *Compendium of Federal Estate Tax Data and Personal Wealth Studies*, Dept. of Treasury, IRS Publication 1773, 4-94, p. 358.
- [9] Estimates of post-audit changes in values reported on estate tax returns are presented in McCubbin, Janet, "Improving Wealth Estimates Derived From Estate Tax Data," *Compendium of Federal Estate Tax Data and Personal Wealth Studies*, Dept. of Treasury, IRS Publication 1773, 4-94, pp. 363-370. Estimates of the undervaluation of minority interests in partnerships and closely-held businesses are based on unpublished estimates provided by IRS estate tax administrators.
- [10] Lampman, p. 57, quoting W.L. Crum, *The Distribution of Wealth*, Boston, 1935.
- [11] Estimates of the equity value of life insurance included in total assets were approximated, based on the face value reported on Federal estate tax returns and on the decedent's age. A ratio of the cash value to the face value was developed, using data from wealthy respondents on the 1989, 1992, and 1995 Surveys of Consumer Finances. A simple regression was used to predict the values used in the Statistics of Income estimates. The same set of ratios was used for both males and females, due to a lack of sex-specific data.
- [12] Estimates of the share of total personal wealth attributable to males and females differ from previous years, primarily due to the use for the first time of sex-specific mortality differentials and probably do not indicate an actual, significant shift in the proportion of total wealth held by these two groups. (See Appendix for a more complete discussion of the estimation technique.)
- [13] Analysis of portfolio composition by size of net worth or males and females is limited to individuals with positive net worth.
- [14] Estimates of the U.S. adult population were taken from U.S. Bureau of the Census, *Statistical Abstract of the United States: 1994* (114th edition), Washington, DC, 1994.
- [15] Anderson, Robert; Kochanek, Kenneth; and Murphy, Sherry, "Report of Final Mortality Statistics, 1995," *Monthly Vital Statistics Report*, U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, Vol. 45, No. 11, June 12, 1997.
- [16] Unemployment estimates provided by the Bureau of Labor Statistics as published in *Economic Report of the President*, United States Government Printing Office, Washington, DC, 1997.
- [17] Inflation estimates provided by the Bureau of Economic Analysis as published in *Economic Report of the President*, United States Government Printing Office, Washington, DC, 1997.
- [18] *Economic Report of the President*, United States Government Printing Office, Washington, DC, 1996.
- [19] Wolff, Edward, *Top Heavy: a Study of the Increasing Inequality of Wealth in America*, Twentieth Century Fund Press, New York, 1995.
- [20] Estimates of the total wealth of the U.S. are household estimates found in Kennickell and Woodburn, 1997.
- [21] *Ibid.*, pp. 21-22.
- [22] Mortality data were obtained from the National Center for Health Statistics, Division of Vital Statistics as reported in the *Monthly Vital Statistics Report*. Data for 1992 are found in Vol. 43, No. 6, March 22, 1995; Data for 1995 are found in Vol. 45, No. 11, June 12, 1997.
- [23] Estimates are limited to adults, age 20 and over.
- [24] Smith, James, pp. 335-336.
- [25] *A Mortality Study of 1.3 Million Persons by Demographic, Social, and Economic Factors: 1979-1985 Follow-up*, 1992, U.S. National Longitudinal Mortality Study, National Institutes of Health, National Heart, Lung, and Blood Institute, NIH Publication Number 92-3297.

Personal Wealth, 1992-1995

[26] The 1989 SOI Collation Study links individual income tax (Form 1040) returns prior to death to Federal estate tax (Form 706) returns filed for 1989 decedents in order to study the relationship between income and wealth. In addition, Form 1040 returns for beneficiaries have been collected in order to study the effects of large inheritances on income, employment, etc. SOI hopes to publish some analysis of this data in 1998.

[27] See, for example, Menchik, 1991 or Wolfson et al., 1990.

[28] For a more detailed description of the multipliers, see Johnson, Barry and Woodburn, Rose Louise, "The Estate Multiplier Technique, Recent Improvements for Statistics, 1989," *Compendium of Federal Estate Tax Data and Personal Wealth Studies*, Dept. of Treasury, IRS Publication 1773, 4-94, pp. 391-400.

Personal Wealth, 1992-1995

Table 1.--All Top Wealthholders with Total Assets of \$600,000 or More, 1992: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Number of top wealthholders	Total assets	Debts		Net worth		Personal residences	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	3,691.2	5,568,262	3,108.4	607,537	3,691.2	4,960,725	2,628.5	563,410
Under \$600,000 ¹	970.8	562,911	901.2	233,406	970.8	329,505	717.4	126,209
\$600,000 under \$1,000,000.....	1,417.5	1,180,685	1,115.0	99,346	1,417.5	1,081,340	988.3	171,610
\$1,000,000 under \$2,500,000.....	988.1	1,569,233	816.1	127,588	988.1	1,441,645	695.8	160,240
\$2,500,000 under \$5,000,000.....	205.7	756,194	178.3	59,453	205.7	696,741	145.8	56,996
\$5,000,000 under \$10,000,000.....	72.9	528,604	63.8	40,296	72.9	488,309	54.7	26,351
\$10,000,000 under \$20,000,000.....	25.0	359,622	23.3	20,888	25.0	338,734	17.9	12,465
\$20,000,000 or more.....	11.3	611,013	10.8	26,560	11.3	584,453	8.6	9,540

Size of net worth	Other real estate		Closely-held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	2,364.6	978,535	827.1	626,319	2,477.9	873,399	1,379.0	420,112
Under \$600,000 ¹	579.1	138,946	181.4	30,807	513.0	28,526	129.3	6,181
\$600,000 under \$1,000,000.....	872.3	218,455	240.4	59,693	965.1	142,983	548.4	72,044
\$1,000,000 under \$2,500,000.....	671.5	302,982	266.9	136,765	740.4	222,176	511.2	128,398
\$2,500,000 under \$5,000,000.....	154.9	134,821	86.2	89,577	164.5	132,147	121.4	77,004
\$5,000,000 under \$10,000,000.....	56.6	88,931	33.8	81,700	62.2	104,123	45.3	53,847
\$10,000,000 under \$20,000,000.....	20.2	50,249	10.9	49,445	22.3	100,719	15.5	34,763
\$20,000,000 or more.....	10.0	44,150	7.4	178,331	10.5	142,725	8.0	47,875

Size of net worth	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	449.3	12,405	813.1	161,799	588.7	39,119	225.4	11,238
Under \$600,000 ¹	94.4	726	77.2	2,270	61.5	966	25.4	426
\$600,000 under \$1,000,000.....	209.8	5,852	353.9	31,146	249.3	10,073	102.2	4,176
\$1,000,000 under \$2,500,000.....	118.5	4,852	270.9	44,122	196.5	10,111	73.7	3,660
\$2,500,000 under \$5,000,000.....	17.9	668	67.4	27,075	50.0	7,130	15.2	1,138
\$5,000,000 under \$10,000,000.....	6.3	240	28.0	20,299	19.9	3,087	6.4	1,231
\$10,000,000 under \$20,000,000.....	1.7	50	10.8	13,371	7.3	1,756	1.5	212
\$20,000,000 or more.....	0.6	17	5.0	23,515	4.3	5,996	1.1	396

Footnotes at end of table.

Personal Wealth, 1992-1995

Table 1.--All Top Wealthholders with Total Assets of \$600,000 or More, 1992: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth --Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Mixed portfolio mutual funds ²		Cash and money market accounts		Mortgages and notes receivable		Equity value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	780.1	54,878	3,609.9	520,338	1,148.4	180,562	2,642.6	118,493
Under \$600,000 ¹	150.8	4,850	935.2	42,562	213.5	15,468	891.9	47,784
\$600,000 under \$1,000,000.....	313.9	18,342	1,390.0	160,765	429.2	38,983	932.6	26,156
\$1,000,000 under \$2,500,000.....	238.5	17,194	973.8	169,729	348.2	52,381	628.5	27,976
\$2,500,000 under \$5,000,000.....	51.3	6,129	203.0	60,484	96.6	29,211	124.4	8,527
\$5,000,000 under \$10,000,000.....	16.5	3,272	71.9	35,161	38.0	17,989	43.7	4,551
\$10,000,000 under \$20,000,000.....	5.7	2,935	24.8	23,836	14.4	7,912	14.2	1,821
\$20,000,000 or more.....	3.5	2,156	11.3	27,801	8.4	18,618	7.3	1,677

Size of net worth	Noncorporate businesses		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	949.2	220,750	534.6	73,835	2,363.5	444,766	3,419.9	268,289
Under \$600,000 ¹	225.2	23,352	82.9	3,429	655.8	60,452	909.2	29,957
\$600,000 under \$1,000,000.....	310.6	30,513	164.7	6,816	881.8	131,076	1,287.9	52,001
\$1,000,000 under \$2,500,000.....	284.2	53,774	189.2	13,264	633.5	155,812	921.3	65,798
\$2,500,000 under \$5,000,000.....	77.3	30,970	55.5	10,039	127.8	52,076	195.0	32,187
\$5,000,000 under \$10,000,000.....	32.2	22,306	26.1	13,945	44.2	30,113	71.0	21,458
\$10,000,000 under \$20,000,000.....	12.9	22,559	10.7	7,081	14.1	10,396	24.4	20,051
\$20,000,000 or more.....	6.8	37,275	5.6	19,262	6.5	4,841	11.2	46,837

¹ Includes top wealthholders with negative net worth.² Mutual funds with single investment objective are grouped with similar direct investments in this table.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1992-1995

Table 2.--Male Top Wealthholders with Total Assets of \$600,000 or More, 1992: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Number of top wealthholders	Total assets	Debts		Net worth		Personal residences	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	2,402.1	3,675,505	2,047.8	476,521	2,402.1	3,198,984	1,709.2	344,591
Under \$600,000 ¹	780.5	444,929	720.3	195,634	780.5	249,295	574.4	96,602
\$600,000 under \$1,000,000.....	809.6	687,053	643.0	68,685	809.6	618,369	565.4	92,108
\$1,000,000 under \$2,500,000.....	609.8	994,273	505.7	93,779	609.8	900,495	425.8	92,398
\$2,500,000 under \$5,000,000.....	129.3	483,616	113.2	45,371	129.3	438,246	88.4	31,538
\$5,000,000 under \$10,000,000.....	48.3	359,850	42.7	32,731	48.3	327,119	36.9	15,945
\$10,000,000 under \$20,000,000.....	16.6	238,476	15.6	17,302	16.6	221,174	12.1	8,308
\$20,000,000 or more.....	7.9	467,306	7.4	23,020	7.9	444,287	6.4	7,692

Size of net worth	Other real estate		Closely-held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,557.9	644,015	657.3	517,079	1,534.6	503,634	755.0	219,779
Under \$600,000 ¹	449.2	105,166	160.6	27,182	402.5	21,840	84.1	3,729
\$600,000 under \$1,000,000.....	524.8	129,056	188.0	49,013	523.1	70,712	278.4	31,965
\$1,000,000 under \$2,500,000.....	430.2	199,399	203.7	105,627	442.0	119,017	278.6	61,400
\$2,500,000 under \$5,000,000.....	94.4	79,944	65.4	72,142	104.4	78,257	68.5	37,228
\$5,000,000 under \$10,000,000.....	38.7	61,829	25.8	65,972	40.7	59,902	29.7	33,051
\$10,000,000 under \$20,000,000.....	13.7	34,173	8.3	37,649	14.6	63,041	10.4	21,301
\$20,000,000 or more.....	7.0	34,450	5.6	159,494	7.3	90,866	5.3	31,106

Size of net worth	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	283.7	6,802	421.4	86,794	329.7	21,226	118.7	4,663
Under \$600,000 ¹	73.0	543	48.2	1,422	44.5	797	19.9	370
\$600,000 under \$1,000,000.....	122.3	3,079	171.7	13,726	122.5	4,270	47.6	1,638
\$1,000,000 under \$2,500,000.....	71.4	2,734	137.5	22,267	111.5	5,351	37.9	1,329
\$2,500,000 under \$5,000,000.....	11.1	281	37.1	13,837	30.0	4,361	8.7	751
\$5,000,000 under \$10,000,000.....	4.5	136	17.6	14,586	13.6	2,263	3.2	296
\$10,000,000 under \$20,000,000.....	1.2	20	6.2	6,398	4.8	1,145	1.0	85
\$20,000,000 or more.....	0.2	10	3.1	14,556	2.7	3,041	0.4	194

Footnotes at end of table.

Personal Wealth, 1992-1995

Table 2.--Male Top Wealthholders with Total Assets of \$600,000 or More, 1992: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Mixed portfolio mutual funds ²		Cash and money market accounts		Mortgages and notes receivable		Equity value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	473.8	30,828	2,341.5	310,794	760.6	125,093	2,020.6	105,765
Under \$600,000 ¹	106.9	3,573	748.3	32,856	168.2	11,855	738.4	42,810
\$600,000 under \$1,000,000.....	169.8	7,896	794.0	82,227	251.0	22,383	648.8	22,719
\$1,000,000 under \$2,500,000.....	146.9	9,776	599.6	100,237	233.5	33,092	480.8	25,069
\$2,500,000 under \$5,000,000.....	32.4	3,378	127.5	36,810	64.6	23,368	98.1	7,697
\$5,000,000 under \$10,000,000.....	11.1	2,125	47.7	22,977	26.5	12,998	36.7	4,168
\$10,000,000 under \$20,000,000.....	4.4	2,460	16.5	13,458	10.5	6,086	11.9	1,725
\$20,000,000 or more.....	2.3	1,620	7.9	22,229	6.2	15,310	6.0	1,576

Size of net worth	Noncorporate businesses		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	710.6	170,956	340.3	56,096	1,652.8	347,369	2,225.4	180,008
Under \$600,000 ¹	182.9	21,662	60.6	2,110	526.2	49,492	725.3	22,921
\$600,000 under \$1,000,000.....	224.0	24,198	90.2	4,018	554.3	96,713	744.3	31,333
\$1,000,000 under \$2,500,000.....	209.3	40,040	121.6	9,481	433.7	124,398	564.1	42,659
\$2,500,000 under \$5,000,000.....	56.5	24,110	38.3	7,340	90.5	42,290	120.9	20,272
\$5,000,000 under \$10,000,000.....	24.0	17,454	18.2	10,744	32.1	21,074	47.0	14,329
\$10,000,000 under \$20,000,000.....	8.8	13,697	7.6	4,596	10.8	9,266	16.1	15,068
\$20,000,000 or more.....	5.1	29,794	3.9	17,807	5.3	4,137	7.8	33,425

¹ Includes top wealthholders with negative net worth.² Mutual funds with single investment objective are grouped with similar direct investments in this table.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1992-1995

Table 3.--Female Top Wealthholders with Total Assets of \$600,000 or More, 1992: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Number of top wealthholders	Total assets	Debts		Net worth		Personal residences	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	1,289.2	1,892,758	1,060.6	131,016	1,289.2	1,761,741	919.3	218,819
Under \$600,000 ¹	190.3	117,981	180.9	37,772	190.3	80,210	143.0	29,607
\$600,000 under \$1,000,000.....	607.9	493,632	472.0	30,661	607.9	462,971	422.9	79,502
\$1,000,000 under \$2,500,000.....	378.3	574,960	310.4	33,810	378.3	541,150	270.1	67,842
\$2,500,000 under \$5,000,000.....	76.3	272,578	65.1	14,083	76.3	258,495	57.4	25,458
\$5,000,000 under \$10,000,000.....	24.6	168,755	21.2	7,565	24.6	161,190	17.7	10,407
\$10,000,000 under \$20,000,000.....	8.4	121,146	7.7	3,586	8.4	117,559	5.9	4,157
\$20,000,000 or more.....	3.4	143,707	3.4	3,540	3.4	140,167	2.3	1,848

Size of net worth	Other real estate		Closely-held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	806.7	334,520	169.8	109,239	943.3	369,766	624.0	200,334
Under \$600,000 ¹	130.0	33,780	20.8	3,625	110.5	6,686	45.2	2,452
\$600,000 under \$1,000,000.....	347.5	89,399	52.5	10,681	442.0	72,272	270.0	40,079
\$1,000,000 under \$2,500,000.....	241.3	103,584	63.2	31,139	298.4	103,159	232.5	66,998
\$2,500,000 under \$5,000,000.....	60.4	54,877	20.9	17,435	60.1	53,890	52.9	39,776
\$5,000,000 under \$10,000,000.....	17.9	27,102	8.0	15,728	21.5	44,221	15.6	20,796
\$10,000,000 under \$20,000,000.....	6.5	16,076	2.6	11,796	7.7	37,678	5.1	13,463
\$20,000,000 or more.....	3.0	9,701	1.8	18,837	3.2	51,859	2.8	16,769

Size of net worth	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	165.7	5,603	391.8	75,006	259.0	17,893	106.7	6,575
Under \$600,000 ¹	21.4	183	29.1	848	17.0	169	5.6	55
\$600,000 under \$1,000,000.....	87.5	2,773	182.2	17,420	126.7	5,804	54.6	2,538
\$1,000,000 under \$2,500,000.....	47.1	2,118	133.3	21,854	84.9	4,761	35.8	2,330
\$2,500,000 under \$5,000,000.....	6.8	387	30.3	13,238	20.0	2,769	6.5	387
\$5,000,000 under \$10,000,000.....	1.9	104	10.4	5,713	6.3	825	3.2	936
\$10,000,000 under \$20,000,000.....	0.5	30	4.5	6,973	2.5	611	0.4	127
\$20,000,000 or more.....	0.4	8	1.9	8,959	1.6	2,955	0.7	202

Footnotes at end of table.

Personal Wealth, 1992-1995

Table 3.--Female Top Wealthholders with Total Assets of \$600,000 or More, 1992: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Mixed portfolio mutual funds ²		Cash and money market accounts		Mortgages and notes receivable		Equity value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	306.3	24,050	1,268.4	209,544	387.8	55,470	622.0	12,728
Under \$600,000 ¹	43.9	1,277	186.9	9,705	45.4	3,613	153.5	4,974
\$600,000 under \$1,000,000.....	144.1	10,446	596.0	78,538	178.2	16,600	283.9	3,437
\$1,000,000 under \$2,500,000.....	91.6	7,419	374.2	69,492	114.7	19,289	147.7	2,907
\$2,500,000 under \$5,000,000.....	18.9	2,751	75.5	23,675	32.0	5,843	26.4	830
\$5,000,000 under \$10,000,000.....	5.4	1,147	24.2	12,184	11.4	4,990	7.0	383
\$10,000,000 under \$20,000,000.....	1.3	475	8.3	10,378	3.9	1,826	2.3	96
\$20,000,000 or more.....	1.2	536	3.4	5,572	2.2	3,308	1.3	102

Size of net worth	Noncorporate businesses		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	238.6	49,794	194.3	17,739	710.7	97,397	1,194.4	88,281
Under \$600,000 ¹	42.4	1,690	22.4	1,319	129.6	10,961	183.8	7,036
\$600,000 under \$1,000,000.....	86.6	6,315	74.5	2,798	327.5	34,363	543.6	20,667
\$1,000,000 under \$2,500,000.....	74.8	13,734	67.6	3,782	199.8	31,414	357.2	23,138
\$2,500,000 under \$5,000,000.....	20.8	6,860	17.2	2,700	37.3	9,786	74.1	11,915
\$5,000,000 under \$10,000,000.....	8.2	4,851	7.9	3,201	12.0	9,039	24.0	7,129
\$10,000,000 under \$20,000,000.....	4.2	8,862	3.1	2,485	3.3	1,130	8.3	4,983
\$20,000,000 or more.....	1.7	7,481	1.7	1,454	1.2	704	3.4	13,413

¹ Includes top wealthholders with negative net worth.² Mutual funds with single investment objective are grouped with similar direct investments in this table.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1992-1995

Table 4.--Male Top Wealthholders with Total Assets of \$600,000 or More, 1992: Total and Type of Assets, Debts, and Net Worth, by Age

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Number of top wealthholders	Total assets	Debts		Net worth		Personal residences	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	2,402.1	3,675,505	2,047.8	476,521	2,402.1	3,198,984	1,709.2	344,591
Under 50.....	991.4	1,199,715	906.7	239,503	991.4	960,212	704.9	142,349
50 under 65.....	827.9	1,364,605	711.9	184,557	827.9	1,180,048	617.4	126,179
65 under 75.....	387.0	689,840	288.0	42,025	387.0	647,815	270.8	53,364
75 under 85.....	150.1	289,572	106.8	8,492	150.1	281,079	91.7	17,891
85 and older.....	45.6	131,773	34.4	1,943	45.6	129,830	24.4	4,808

Age	Other real estate		Closely-held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,557.9	644,015	657.3	517,079	1,534.6	503,634	755.0	219,779
Under 50.....	588.9	207,503	293.9	198,971	560.5	145,074	195.6	47,012
50 under 65.....	585.4	268,814	258.1	195,801	540.7	148,280	241.8	56,485
65 under 75.....	266.6	116,611	81.6	77,621	278.0	103,598	201.2	65,103
75 under 85.....	93.8	41,119	19.3	24,753	117.9	65,517	88.6	36,082
85 and older.....	23.1	9,968	4.4	19,933	37.6	41,165	27.9	15,098

Age	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ¹	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	283.7	6,802	421.4	86,794	329.7	21,226	118.7	4,663
Under 50.....	89.3	943	120.9	28,360	95.5	7,323	29.8	1,065
50 under 65.....	108.2	2,533	128.5	22,827	101.7	5,001	41.2	1,589
65 under 75.....	58.1	1,396	103.4	17,635	84.3	5,487	34.4	1,248
75 under 85.....	20.6	1,390	51.5	12,588	35.1	2,531	9.3	479
85 and older.....	7.5	541	17.0	5,383	13.1	884	4.0	283

Age	Mixed portfolio mutual funds ¹		Cash and money market accounts		Mortgages and notes receivable		Equity value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	473.8	30,828	2,341.5	310,794	760.6	125,093	2,020.6	105,765
Under 50.....	172.0	10,208	955.7	101,469	264.9	36,738	854.4	42,416
50 under 65.....	163.3	9,952	811.0	102,144	280.4	50,207	723.2	48,428
65 under 75.....	96.6	6,754	381.1	63,613	148.6	26,617	311.2	11,524
75 under 85.....	33.0	2,890	148.8	32,396	55.0	9,987	105.4	2,862
85 and older.....	8.9	1,024	45.0	11,172	11.6	1,543	26.4	536

Age	Noncorporate businesses		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	710.6	170,956	340.3	56,096	1,652.8	347,369	2,225.4	180,008
Under 50.....	288.0	58,959	122.4	17,188	662.3	86,310	922.3	67,830
50 under 65.....	267.6	67,981	126.1	17,543	639.1	173,290	769.1	67,552
65 under 75.....	107.0	29,171	66.5	11,644	279.5	77,288	356.5	21,165
75 under 85.....	39.4	13,636	21.9	3,048	63.2	9,535	138.1	12,870
85 and older.....	8.7	1,209	3.5	6,673	8.8	946	39.4	10,591

¹ Mutual funds with a single investment objective are grouped with similar direct investments in this table.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1992-1995

Table 5.--Female Top Wealthholders with Total Assets of \$600,000 or More, 1992: Total and Type of Assets, Debts, and Net Worth, by Age

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Number of top wealthholders	Total assets	Debts		Net worth		Personal residences	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	1,289.2	1,892,758	1,060.6	131,016	1,289.2	1,761,741	919.3	218,819
Under 50.....	351.1	465,624	307.3	55,511	351.1	410,113	246.5	66,994
50 under 65.....	385.2	576,868	319.4	52,937	385.2	523,931	317.5	74,926
65 under 75.....	273.1	412,641	208.0	15,311	273.1	397,330	204.0	45,459
75 under 85.....	206.4	313,265	165.0	5,688	206.4	307,576	121.8	25,022
85 and older.....	73.3	124,361	61.0	1,569	73.3	122,792	29.6	6,419

Age	Other real estate		Closely-held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	806.7	334,520	169.8	109,239	943.3	369,766	624.0	200,334
Under 50.....	220.0	83,634	59.9	31,702	224.5	77,334	106.4	25,613
50 under 65.....	282.5	134,555	66.3	47,547	275.4	81,651	180.1	47,543
65 under 75.....	171.7	70,546	27.3	15,985	216.8	81,345	166.0	54,016
75 under 85.....	103.8	35,603	14.3	11,712	164.4	79,341	129.1	54,508
85 and older.....	28.8	10,181	1.9	2,294	62.2	50,094	42.5	18,654

Age	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ¹	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	165.7	5,603	391.8	75,006	259.0	17,893	106.7	6,575
Under 50.....	32.8	461	77.3	20,764	51.4	4,728	24.0	2,024
50 under 65.....	44.5	958	102.4	16,952	60.3	4,531	28.5	1,482
65 under 75.....	46.6	2,033	96.6	15,860	72.3	4,132	29.2	1,383
75 under 85.....	28.7	1,392	84.8	13,960	55.2	3,311	17.3	854
85 and older.....	13.0	758	30.6	7,470	19.8	1,190	7.7	832

Age	Mixed portfolio mutual funds ¹		Cash and money market accounts		Mortgages and notes receivable		Equity value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	306.3	24,050	1,268.4	209,544	387.8	55,470	622.0	12,728
Under 50.....	74.4	4,803	341.5	42,545	107.5	22,023	209.6	4,609
50 under 65.....	100.2	7,377	377.8	50,551	111.0	14,762	213.1	5,173
65 under 75.....	69.2	6,233	271.3	50,260	95.6	9,962	112.7	1,759
75 under 85.....	47.4	4,225	204.8	49,218	59.0	6,944	70.9	1,002
85 and older.....	15.2	1,412	73.0	16,970	14.8	1,778	15.7	184

Age	Noncorporate businesses		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	238.6	49,794	194.3	17,739	710.7	97,397	1,194.4	88,281
Under 50.....	70.6	23,071	48.0	4,704	230.7	28,683	323.0	21,933
50 under 65.....	85.3	13,315	71.8	6,832	266.3	42,368	359.9	26,342
65 under 75.....	45.9	7,892	43.6	3,418	155.5	19,944	258.6	22,414
75 under 85.....	29.0	4,964	26.2	2,353	48.6	5,587	189.8	13,269
85 and older.....	7.8	553	4.7	433	9.7	814	63.1	4,323

¹ Mutual funds with a single investment objective are grouped with similar direct investments in this table.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1992-1995

Table 6.--Top Wealthholders with Total Assets of \$600,000 or More and Net Worth Under \$10,000,000, 1992: Total and Selected Assets, Debts, and Net Worth, by State of Residence

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

State of residence	Number of top wealthholders	Total assets	Debts		Net worth	
			Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	3,654.9	4,597,627	3,074.3	560,088	3,654.9	4,037,539
Alabama.....	39.4	49,943	37.7	5,638	39.4	44,305
Alaska.....	4.2	5,456	3.6	1,229	4.2	4,227
Arizona.....	44.6	56,673	36.4	6,760	44.6	49,913
Arkansas.....	20.1	23,049	17.1	2,665	20.1	20,383
California.....	638.2	878,123	546.3	143,202	638.2	734,921
Colorado.....	52.8	62,711	42.9	6,305	52.8	56,406
Connecticut.....	69.7	86,984	62.3	10,975	69.7	76,009
Delaware.....	8.1	8,632	6.5	1,080	8.1	7,552
District of Columbia.....	24.0	25,254	22.5	3,646	24.0	21,608
Florida.....	249.5	339,247	203.0	39,880	249.5	299,367
Georgia.....	77.4	94,734	71.8	11,699	77.4	83,035
Hawaii.....	32.3	39,198	27.8	3,543	32.3	35,655
Idaho.....	9.2	11,935	7.2	1,234	9.2	10,701
Illinois.....	183.3	249,817	159.5	29,057	183.3	220,761
Indiana.....	48.4	60,450	35.1	4,966	48.4	55,484
Iowa.....	35.4	34,774	31.7	4,003	35.4	30,772
Kansas.....	30.8	37,231	23.8	5,022	30.8	32,209
Kentucky.....	34.2	46,582	28.6	7,280	34.2	39,302
Louisiana.....	32.5	41,833	30.7	5,746	32.5	36,086
Maine.....	17.6	15,684	12.5	1,304	17.6	14,380
Maryland.....	69.5	87,991	60.5	9,653	69.5	78,338
Massachusetts.....	113.5	121,908	108.6	14,131	113.5	107,777
Michigan.....	89.5	103,055	70.9	11,042	89.5	92,013
Minnesota.....	57.7	67,180	48.6	9,334	57.7	57,846
Mississippi.....	15.1	18,843	13.6	1,973	15.1	16,870
Missouri.....	52.9	65,376	40.0	5,734	52.9	59,642
Montana.....	15.0	14,291	10.1	1,422	15.0	12,868
Nebraska.....	23.2	26,617	18.7	2,818	23.2	23,798
Nevada.....	16.5	25,405	14.8	3,983	16.5	21,423
New Hampshire.....	14.8	19,413	11.4	1,633	14.8	17,780
New Jersey.....	164.0	196,957	124.9	16,706	164.0	180,251
New Mexico.....	13.8	19,705	10.9	4,778	13.8	14,927
New York.....	375.8	454,005	314.1	41,300	375.8	412,705
North Carolina.....	88.2	107,679	72.8	10,737	88.2	96,943
North Dakota.....	14.4	13,806	8.8	1,959	14.4	11,847
Ohio.....	123.3	140,314	95.6	10,094	123.3	130,219
Oklahoma.....	34.8	39,496	28.9	5,063	34.8	34,434
Oregon.....	28.1	40,337	22.2	2,891	28.1	37,447
Pennsylvania.....	143.0	178,832	128.8	19,698	143.0	159,134
Rhode Island.....	15.9	16,912	13.2	2,936	15.9	13,975
South Carolina.....	45.7	49,682	40.3	6,536	45.7	43,146
South Dakota.....	12.1	13,172	8.2	2,367	12.1	10,804
Tennessee.....	55.9	60,901	49.2	8,260	55.9	52,641
Texas.....	192.7	261,884	165.9	35,317	192.7	226,567
Utah.....	12.3	13,652	9.7	1,631	12.3	12,021
Vermont.....	7.0	6,400	5.4	947	7.0	5,453
Virginia.....	73.6	89,617	61.7	9,971	73.6	79,647
Washington.....	60.9	88,156	49.4	14,195	60.9	73,961
West Virginia.....	16.1	15,800	13.5	1,250	16.1	14,550
Wisconsin.....	42.1	53,330	33.5	4,216	42.1	49,114
Wyoming.....	5.3	7,128	5.2	1,304	5.4	5,824
Other areas ¹	10.2	11,473	8.0	974	10.2	10,498

Footnotes at end of table.

Personal Wealth, 1992-1995

Table 6.--Top Wealthholders with Total Assets of \$600,000 or More and Net Worth Under \$10,000,000, 1992: Total and Selected Assets, Debts, and Net Worth, by State of Residence--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

State of residence	Real estate		Corporate stock		Cash and money market accounts		Total bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total.....	3,327.0	1,425,542	2,778.2	1,028,498	3,573.8	468,701	1,950.2	516,723
Alabama.....	35.0	12,556	30.8	14,703	38.7	4,290	20.0	4,295
Alaska.....	4.0	1,428	2.6	712	3.5	265	1.9	1,577
Arizona.....	41.0	14,225	36.6	14,125	44.1	5,676	28.9	9,065
Arkansas.....	18.0	4,980	14.2	6,270	20.1	2,909	8.6	2,467
California.....	601.0	425,642	434.0	128,922	627.0	81,225	308.7	70,202
Colorado.....	48.0	16,839	42.8	16,042	51.5	6,776	26.3	4,784
Connecticut.....	60.0	25,802	49.2	16,979	67.2	8,154	37.9	10,201
Delaware.....	7.0	3,443	6.1	1,830	8.0	622	3.8	1,102
District of Columbia.....	19.0	7,529	13.4	5,614	23.3	2,543	13.7	3,582
Florida.....	218.0	90,405	191.7	78,568	241.6	36,118	142.7	54,541
Georgia.....	68.0	28,024	52.5	22,542	75.5	8,159	36.9	11,184
Hawaii.....	31.0	21,396	21.5	4,544	31.8	2,596	15.5	1,902
Idaho.....	9.0	3,944	8.3	3,222	8.9	755	5.0	995
Illinois.....	166.0	66,841	145.8	64,321	180.5	25,382	96.9	28,254
Indiana.....	43.0	13,706	43.0	20,740	47.3	6,222	29.7	5,891
Iowa.....	33.0	9,513	28.4	9,169	35.4	3,108	20.4	2,543
Kansas.....	28.0	8,818	24.9	9,387	30.8	5,966	14.4	4,120
Kentucky.....	32.0	9,544	29.6	15,677	32.3	4,827	17.9	4,623
Louisiana.....	29.0	10,140	27.1	9,656	31.2	5,708	18.0	6,155
Maine.....	15.0	4,506	13.8	3,798	16.0	1,089	9.6	1,178
Maryland.....	66.0	25,804	57.0	21,297	66.2	7,132	40.5	7,737
Massachusetts.....	105.0	38,663	84.1	25,610	111.9	12,257	61.5	12,078
Michigan.....	78.0	23,624	69.2	27,627	89.0	9,462	43.1	11,149
Minnesota.....	51.0	14,475	45.9	20,226	56.3	5,586	28.7	5,806
Mississippi.....	15.0	5,812	12.1	4,073	15.1	1,681	7.2	1,731
Missouri.....	45.0	11,532	41.7	21,828	52.6	7,366	31.8	8,522
Montana.....	12.0	3,617	12.1	3,354	14.6	890	10.7	1,596
Nebraska.....	20.0	7,120	18.3	7,399	22.2	2,307	11.2	2,416
Nevada.....	13.0	8,423	9.8	5,042	16.5	3,660	7.3	3,213
New Hampshire.....	12.0	5,290	13.1	5,874	14.1	1,792	9.0	1,317
New Jersey.....	152.0	56,292	131.4	40,399	159.0	22,317	100.2	25,596
New Mexico.....	12.0	8,789	10.3	3,313	13.8	1,737	7.8	2,549
New York.....	323.0	123,693	278.3	95,084	365.8	53,702	202.5	62,425
North Carolina.....	84.0	32,200	71.6	31,930	87.0	10,616	40.3	8,879
North Dakota.....	13.0	3,961	10.2	2,027	14.4	1,690	5.5	1,667
Ohio.....	107.0	27,624	104.9	38,674	120.9	15,649	75.5	22,190
Oklahoma.....	32.0	7,667	22.0	5,973	33.9	5,330	17.2	8,909
Oregon.....	24.0	10,047	21.6	11,373	27.8	3,591	16.0	4,323
Pennsylvania.....	125.0	43,540	112.6	47,587	139.3	17,390	84.4	21,233
Rhode Island.....	15.0	5,657	10.3	4,065	15.2	1,271	5.5	1,622
South Carolina.....	43.0	17,694	36.0	9,856	44.9	4,083	19.7	3,296
South Dakota.....	10.0	4,010	7.5	2,153	11.6	1,224	5.2	1,393
Tennessee.....	53.0	15,238	42.7	14,279	55.2	6,548	28.6	6,297
Texas.....	178.0	63,271	154.8	58,947	190.6	32,921	108.0	35,340
Utah.....	11.0	3,509	8.5	2,530	12.1	797	6.3	864
Vermont.....	6.0	2,004	4.4	1,229	7.0	918	2.6	409
Virginia.....	68.0	27,184	60.9	24,518	71.3	8,449	39.0	8,298
Washington.....	57.0	31,515	47.7	20,888	59.8	7,489	34.3	7,025
West Virginia.....	14.0	3,024	13.5	4,449	14.8	1,954	9.2	2,033
Wisconsin.....	36.0	10,029	36.0	14,869	41.6	4,223	27.3	6,384
Wyoming.....	5.0	2,198	4.0	1,966	5.3	370	1.0	441
Other areas ¹	7.0	2,752	9.1	3,236	9.6	1,548	6.3	1,424

¹ U.S. citizens domiciled abroad. Persons who acquired U.S. citizenship solely by virtue of being a citizen of Puerto Rico or the Virgin Islands are not included.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1992-1995

Table 7.--All Top Wealthholders with Total Assets of \$600,000 or More, 1995: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Number of top wealthholders	Total assets	Debts		Net worth		Personal residences	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	4,137.0	6,304,606	3,283.0	617,428	4,137.0	5,687,178	2,949.0	607,976
Under \$600,000 ¹	1,008.3	571,528	919.3	204,981	1,008.3	366,547	776.8	124,881
\$600,000 under \$1,000,000.....	1,646.8	1,378,199	1,207.5	112,755	1,646.8	1,265,444	1,123.9	192,045
\$1,000,000 under \$2,500,000.....	1,138.3	1,793,154	868.8	119,222	1,138.3	1,673,931	798.0	176,195
\$2,500,000 under \$5,000,000.....	230.1	841,909	188.6	61,314	230.1	780,595	164.5	58,240
\$5,000,000 under \$10,000,000.....	74.4	541,851	63.5	35,231	74.4	506,620	56.2	30,657
\$10,000,000 under \$20,000,000.....	26.9	405,472	23.9	27,649	26.9	377,824	19.8	15,433
\$20,000,000 or more.....	12.3	772,493	11.5	56,276	12.3	716,217	9.8	10,525

Size of net worth	Other real estate		Closely-held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	2,521.0	989,135	841.1	717,785	2,872.3	1,077,770	1,607.4	512,943
Under \$600,000 ¹	525.2	117,202	163.9	27,586	538.9	35,877	137.5	7,413
\$600,000 under \$1,000,000.....	991.1	234,332	250.4	54,224	1,171.1	185,886	668.4	77,009
\$1,000,000 under \$2,500,000.....	747.8	302,414	285.0	141,690	873.3	281,860	588.9	146,830
\$2,500,000 under \$5,000,000.....	164.6	135,255	85.4	104,331	191.8	166,408	135.5	83,265
\$5,000,000 under \$10,000,000.....	57.4	79,395	33.2	79,840	63.5	119,363	51.0	62,809
\$10,000,000 under \$20,000,000.....	24.1	58,960	15.8	89,449	22.6	87,162	17.6	42,023
\$20,000,000 or more.....	10.9	61,577	7.3	220,665	11.2	201,213	8.5	93,593

Size of net worth	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	592.0	19,695	913.9	146,295	502.0	35,699	395.9	18,721
Under \$600,000 ¹	116.2	1,274	81.0	4,294	42.4	1,286	52.7	1,626
\$600,000 under \$1,000,000.....	284.0	9,786	424.1	38,901	212.2	9,288	173.7	5,736
\$1,000,000 under \$2,500,000.....	157.7	5,662	302.0	47,086	177.6	8,810	133.0	7,182
\$2,500,000 under \$5,000,000.....	24.1	2,049	67.9	18,968	42.7	7,534	23.9	1,839
\$5,000,000 under \$10,000,000.....	7.5	722	24.2	13,922	17.0	2,766	8.2	1,245
\$10,000,000 under \$20,000,000.....	1.8	170	9.6	10,128	6.1	3,018	3.0	609
\$20,000,000 or more.....	0.8	33	5.0	12,997	4.0	2,996	1.4	484

Footnotes at end of table.

Personal Wealth, 1992-1995

Table 7.--All Top Wealthholders with Total Assets of \$600,000 or More, 1995: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Mixed portfolio mutual funds ²		Cash and money market accounts		Mortgages and notes receivable		Equity value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	1,084.0	74,028	3,964.4	376,844	1,143.9	186,855	2,971.4	134,125
Under \$600,000 ¹	184.2	5,094	958.2	31,686	207.0	13,881	930.6	47,168
\$600,000 under \$1,000,000.....	464.0	25,035	1,578.6	133,716	411.6	37,061	1,085.2	33,975
\$1,000,000 under \$2,500,000.....	333.6	27,700	1,096.1	126,235	362.6	53,420	749.5	34,766
\$2,500,000 under \$5,000,000.....	68.3	8,831	220.4	39,477	99.9	29,773	136.3	9,761
\$5,000,000 under \$10,000,000.....	21.7	3,798	72.8	20,716	39.1	19,116	47.0	4,622
\$10,000,000 under \$20,000,000.....	7.9	2,152	26.1	10,883	15.0	12,284	15.7	2,657
\$20,000,000 or more.....	4.4	1,418	12.3	14,131	8.7	21,319	7.0	1,176

Size of net worth	Noncorporate businesses		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	852.5	216,233	614.1	106,365	2,851.9	657,211	3,807.5	251,785
Under \$600,000 ¹	189.2	26,536	74.2	3,679	730.3	79,491	933.0	32,391
\$600,000 under \$1,000,000.....	300.4	36,900	209.5	10,067	1,109.9	194,649	1,498.5	55,908
\$1,000,000 under \$2,500,000.....	254.4	45,054	217.7	18,025	787.8	245,079	1,050.3	64,626
\$2,500,000 under \$5,000,000.....	61.4	21,475	64.9	13,912	152.1	83,142	215.2	30,332
\$5,000,000 under \$10,000,000.....	28.4	19,464	28.3	15,528	48.3	32,804	71.8	22,712
\$10,000,000 under \$20,000,000.....	12.4	20,311	12.6	10,399	15.9	14,397	26.5	14,430
\$20,000,000 or more.....	6.3	46,492	7.0	34,754	7.6	7,650	12.1	31,387

¹ Includes top wealthholders with negative net worth.² Mutual funds with single investment objective are grouped with similar direct investments in this table.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1995

by Barry W. Johnson

There were an estimated 4.4 million individuals in the United States with gross assets of \$600,000 or more in 1995. These “top wealth holders” represented about 2.5 percent of the total U.S. adult population. As a group, top wealth holders owned more than \$6.7 trillion in assets, or 27.4 percent of total U.S. personal wealth. Almost 2.8 million, or 63.4 percent, of these wealthy individuals were male, and 1.6 million were female. The number of individuals with net worth of \$1 million or more grew to almost 1.6 million in 1995.

Background

The distribution and composition of personal wealth in the United States are topics of great interest among researchers and policy planners. Unfortunately, these issues are difficult to study, since there are few sources of data on the wealth holdings of the very rich. Administrative records, specifically, Federal estate tax returns (Form 706), provide a unique source from which to study the nation’s wealthiest individuals. The estate tax return contains a complete listing of a decedent’s assets and debts, as well as a demographic profile of the decedent and information on the costs of administering the estate. A decedent’s estate has up to 9 months to file an estate tax return, but use of a 6-month extension is common. It is, therefore, necessary to combine returns filed over a number of calendar years in order to capture data representative of all estate tax decedents dying in a single year.

The estate multiplier technique is used to estimate the wealth of living individuals with data from Federal estate tax returns. The fundamental assumption underlying this methodology is that estate tax returns filed for decedents who died in a particular year represent a random sample, designated by death, of the living population in that year. Estimates of the wealth holdings of the living population are derived by applying a multiplier, based on appropriate mortality rates, to this sample. Preliminary estimates for 1995 were reported in the winter 1997-1998 *SOI Bulletin*. The estimates presented in this article

supersede those and are considered final estimates for 1995.

Limitations

While the sample size and richness of available data make this estimation technique attractive, there are limitations to be noted. First, and most important, estate tax returns provide a presumably random sample, stratified by age, not of the total population, but of living persons with gross estates at or above the estate tax filing threshold. Research has proven that “individuals who are economically or socially better off also live longer and are healthier” [1]. Factors such as access to better health services, better diet and nutrition, fewer risks on the job, and access to better housing seem to contribute to this phenomenon. Therefore, determining a mortality rate appropriate to this sample poses a challenge. Further, it has been shown that, while estimates of patterns of wealth holding, such as differences in portfolio composition among various age and sex groups, appear quite robust over a variety of reasonable alternate assumptions about the longevity of the very wealthy, overall aggregate estimates are relatively sensitive to the selection of the mortality rates [2]. (See the Appendix to this article for a more complete discussion of the estate multiplier technique.)

Second, while estate tax returns are generally prepared by professionals and are, therefore, likely to be more accurate in detail than survey responses, the values reported are used to compute tax liability, so there is a natural tendency for the values to be somewhat conservative. This is especially true for hard-to-value assets, such as businesses and certain types of real estate. It should also be noted that the estate tax data used for these estimates are pre-audit figures. A recent Statistics of Income (SOI) study based on the results of IRS audits of estate tax returns filed in 1992 estimated that detected undervaluation of assets was about 1.2 percent of total asset holdings [3]. In addition, it is common to claim substantial discounts when valuing ownership interests of less than 50 percent in small companies, partnerships, and for other, non-liquid assets. Taken together, these two factors may account for undervaluation of about 2 percent in the estimates presented below [4].

Third, while estate tax returns report assets that are owned outright (what has been called prime

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Personal Wealth, 1995

wealth), total wealth would ideally include wealth to which a person has an income interest but not necessarily actual title. Examples of the latter include defined-benefit pension plans and Social Security benefits. Finally, the wealth of some individuals near death may differ somewhat from that of the general population in the same age cohort. For some, wealth will have been reduced through expenses related to a final illness. For others, effective estate planning will have reduced the value of the estate reportable for tax purposes.

Valuation Measures

The level of wealth to which these estimates apply is \$600,000 or more in gross estate, the estate tax filing threshold in effect in 1987-1997. *Gross estate* is a Federal estate tax concept of wealth that does not conform to usual definitions of wealth, primarily because it includes the face value of life insurance in the wealth of the decedent. Therefore, three measures of wealth are used in this article: gross assets (or gross estate), total assets, and net worth.

Gross assets reflect the gross value of all assets, including the full face value of life insurance, reduced by the value of any policy loans, but excluding any reduction for other indebtedness. This measure defines the individuals included in the top wealth holder group. *Total assets* are a lower wealth value, but are still essentially a gross measure. They differ from gross assets in that the cash, or equity, value of life insurance (i.e., the value of insurance immediately before the policyholder's death) replaces the "at death" value of life insurance included in gross assets [5]. *Net worth* is total assets minus debts.

Top Wealth Holders, 1995

There were an estimated 4,400,225 adults, age 21 and older, with gross assets of \$600,000 or more in 1995 (see Table 1). Combined, they owned more than \$6.7 trillion in total assets. These top wealth holders had debts that totaled \$660.4 billion, meaning that, as a group, their combined net worth was nearly \$6.1 trillion, or almost 29.5 percent of total U.S. personal net worth in 1995 [6].

The U.S. top wealth holder population included 2,790,915 males, or 63.4 percent of total top wealth holders population in 1995 (see Table 2). These males had a combined net worth of \$3.8 trillion, and

their average net worth was \$1.37 million. An estimated 954,000 of these men, or 34.2 percent, had net worth of \$1 million or more. Most male top wealth holders, 70.9 percent, were married, while 6.3 percent were widowed, and 14.7 percent were single (see Figure A). Only 8.1 percent of wealthy males were divorced or separated.

Females accounted for 1,609,310, or 36.6 percent, of U.S. top wealth holders in 1995 (see Table 3). Their combined net worth exceeded \$2.2 trillion, with an average net worth of \$1.38 million, virtually the same as that of their male counterparts. Nearly half of all female top wealth holders, 49.2 percent, were married, while 30.8 percent were widowed, a much higher percentage of widowed individuals than for wealthy males. Only 10.9 percent of wealthy females were single, while 9.0 percent were separated or divorced.

Portfolio Composition

Figure B shows the major portfolio components for male top wealth holders, by size of net worth. Overall, for males with gross assets of at least \$600,000 and net worth less than \$1 million, the combined value of personal residences, real estate, and retirement assets (individual retirement accounts (IRA's), annuities, and self-employed retirement or Keogh plans) dominated their portfolios, accounting for more than half of total assets. As wealth increased, the significance of personal residence, as a share of total assets, decreased. For males with net worth be-

Figure A

Top Wealth Holders, Marital Status, by Sex, 1995

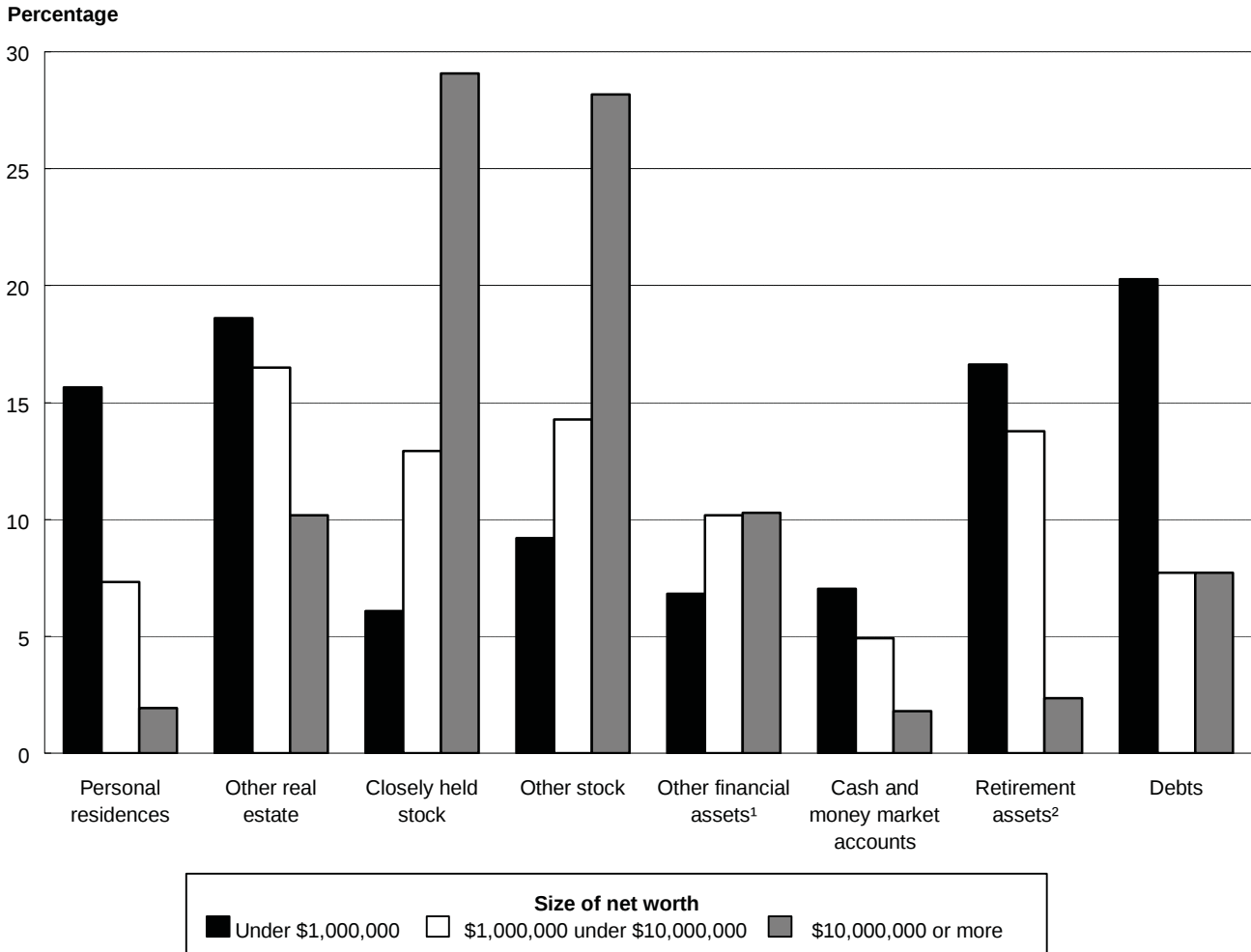
Marital status	Males	Percentage	Females	Percentage
	(1)	(2)	(3)	(4)
Total	2,790,915	100.0	1,609,310	100.0
Married.....	1,979,615	70.9	792,165	49.2
Widowed.....	175,337	6.3	496,377	30.8
Single.....	409,912	14.7	176,156	10.9
Other ¹	226,051	8.1	144,612	9.0

¹ Includes individuals who were separated or divorced and those for whom marital status was not determinable.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1995

Figure B

Male Top Wealth Holders: Selected Assets and Debts as a Percentage of Total Assets, by Size of Net Worth, 1995

¹ Includes Federal, corporate, and tax-exempt bonds as well as mixed portfolio mutual funds.

² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

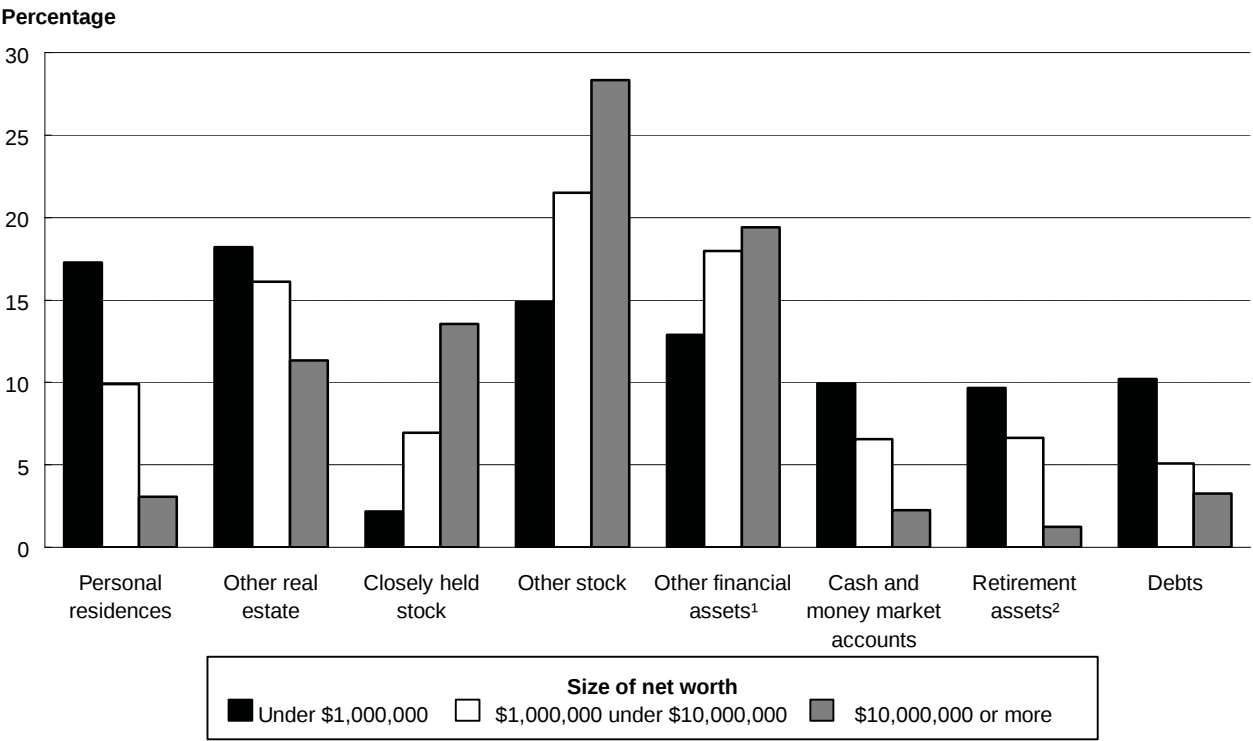
tween \$1 million and \$10 million, investment real estate (real estate holdings that exclude personal residences) comprised the single largest share of their aggregate portfolio, 17.2 percent. Publicly traded stock was the second largest component of their portfolio, 14.9 percent of total assets, followed by retirement assets (14.3 percent) and investments in the stock of closely held companies (13.5 percent) [7]. For males with net worth of \$10 million or more,

financial assets dominated the combined portfolio. Stock in closely held companies accounted for 29.1 percent of total assets, while investments in publicly traded stock accounted for 28.2 percent. In addition, investments in other financial assets, including Federal bonds, tax-exempt State and local government bonds, and mutual funds made up of combinations of stocks and bonds accounted for 10.3 percent of total assets. Investment real estate

Personal Wealth, 1995

Figure C

Female Top Wealth Holders: Selected Assets and Debts as a Percentage of Total Assets, by Size of Net Worth, 1995



¹ Includes Federal, corporate, and tax-exempt bonds as well as mixed portfolio mutual funds.
² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

accounted for a little more than 10 percent of the combined portfolio of this wealthiest group of males. Unlike males in the lowest net worth category, retirement assets constituted a scant 2.3 percent of total assets.

The most striking difference between the portfolio makeup of male and female top wealth holders in 1995 was in the much smaller share investments in closely held corporations contributed to the portfolios of female top wealth holders (see Figure C). In contrast, holdings of publicly traded stock and other financial assets, primarily tax-exempt State and local government bonds, made up a much greater percentage of total assets for wealthy women. The portfolio all of females with net worth of less than \$1 million was much more balanced than that of their male counterparts. For wealthier women, the portfolio shifted toward stock and other financial assets, with 28.3 percent of total assets invested in publicly traded

stock for those with net worth of \$10 million or more. Stock in closely held companies comprised just 13.5 percent of total assets for females in this highest net worth category, less than half that of the males in this net worth group. Female wealth holders, overall, had a much lower debt-to-asset ratio than their male counterparts.

Age

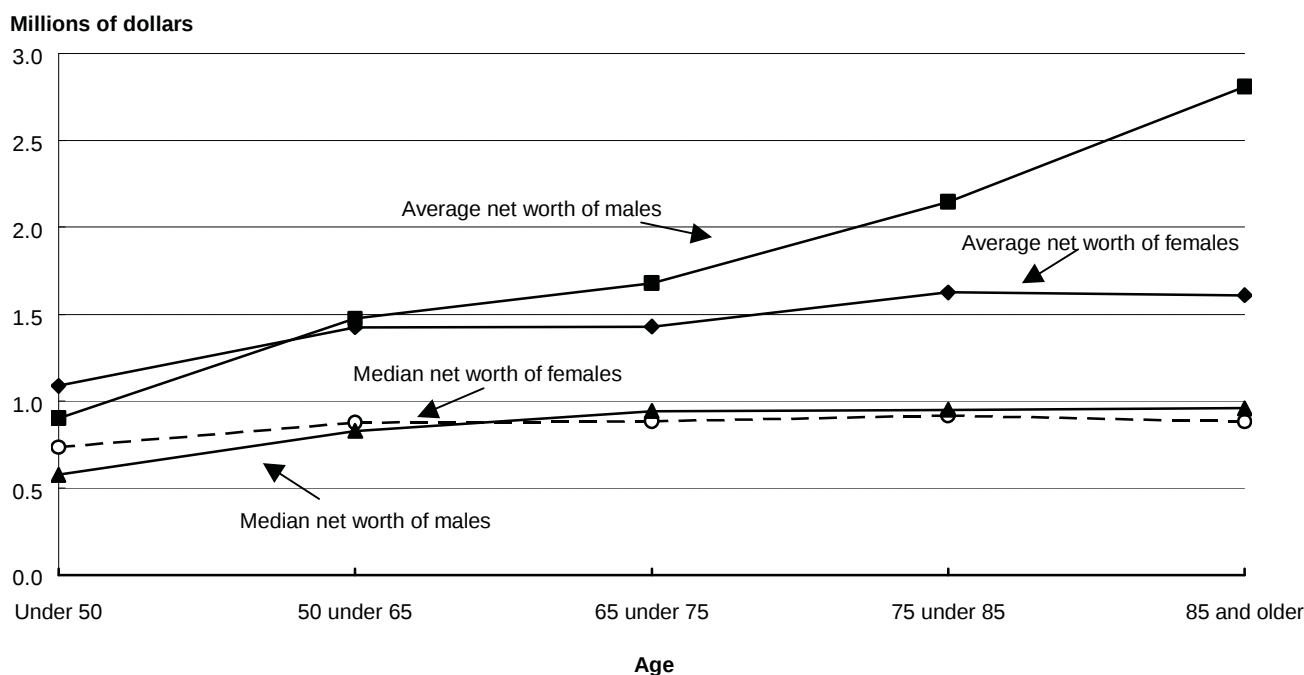
The average age of adult male top wealth holders in 1995 was 55.4 years. Male top wealth holders under age 50 had an average net worth of \$905,957. Figure D shows that average net worth increased significantly with age, rising to \$2.8 million for males age 85 and older. For male top wealth holders, the median value of net worth also increased with age, from a low of \$576,282 for males under 50 to \$959,030 for males age 85 and older.

Figure D also reports the median and average net

Personal Wealth, 1995

Figure D

All Top Wealth Holders: Average and Median Net Worth, by Sex and Age, 1995



worth for female top wealth holders, by age. The average age of adult female top wealth holders was 61.2, higher than that of their male counterparts. The average net worth of wealthy females under the age of 50 was \$1.1 million. For all female top wealth holders, women in the 75-under-85 age category had the highest average net worth, \$1.63 million. Women under age 50 had the lowest median net worth, \$734,113, while those in the 75-under-85 age category had the highest median net worth among female top wealth holders, \$916,533. Unlike male top wealth holders, both the average and median values of net worth declined slightly for female top wealth holders age 75 and older. Interestingly, while the average net worth of women was significantly lower than that of men in most comparable age categories, the median values were virtually the same for individuals of both sexes age 50 and older.

The asset composition of male top wealth holders varied by age cohort (see Figure E). For wealthy males under age 50, stock in closely held corporations made up the largest share of total assets, 17.7 percent. Investment real estate made up the second

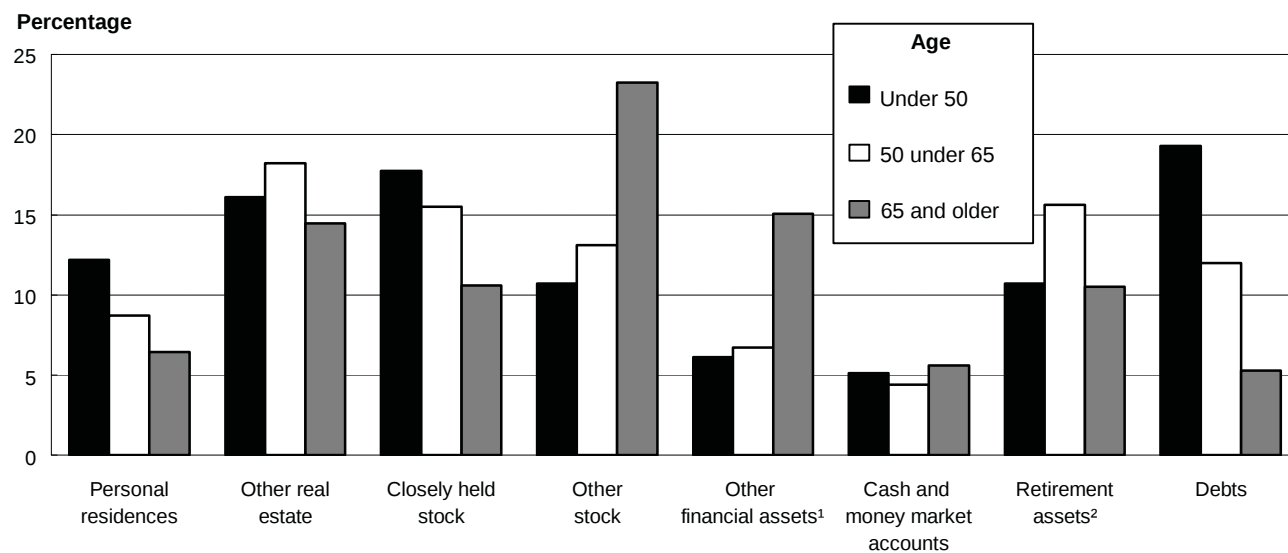
largest share of the total, 16.1 percent, followed by the value of the personal residence, 12.2 percent. Males under age 50 also had the highest debt-to-asset ratio of the age groups examined, 19.3 percent of total assets. For male top wealth holders in the 65-and-older age category, publicly traded stock was dominant, accounting for 23.2 percent of total portfolio assets. Other financial assets, including Federal, corporate, and tax-exempt bonds issued by State or local governments as well as mixed portfolio mutual funds, accounted for 15.1 percent of total assets, the second largest component of the total for this age group. Wealthy males age 65 and older also had the lowest debt-to-asset ratio of the age groups examined, 5.3 percent of total assets.

Investments in real estate, including personal residences, comprised more than 30 percent of total assets for female top wealth holders age 50 and under (see Figure F). For females in this age group, investments in publicly traded stock were the second largest component of total assets, 14.5 percent, and, unlike males in this age group, exceeded the share invested in closely held stock (10.7 percent). Female

Personal Wealth, 1995

Figure E

Male Top Wealth Holders: Selected Assets and Debts as a Percentage of Total Assets, by Age, 1995

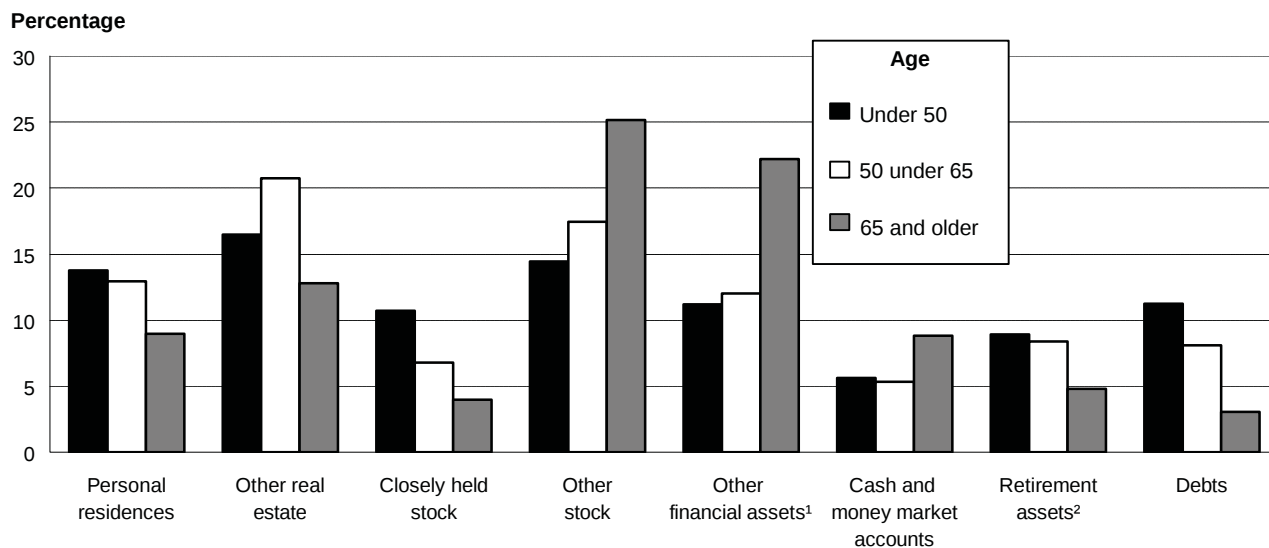


¹ Includes Federal, corporate, and tax-exempt bonds as well as mixed portfolio mutual funds.

² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

Figure F

Female Top Wealth Holders: Selected Assets and Debts as a Percentage of Total Assets, by Age, 1995



¹ Includes Federal, corporate, and tax-exempt bonds as well as mixed portfolio mutual funds.

² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

Personal Wealth, 1995

wealth holders in this youngest age group had the highest debt-to-asset ratio of age groups examined for women, 11.2 percent of total assets, still significantly lower than that of their male counterparts. Investments in publicly traded stock and other financial assets, primarily tax-exempt State and local government bonds, dominated the portfolios of females in the 65-and-older age category, similar to males in this same age group. Wealthy women in this oldest age group had the lowest debt-to-asset ratio all of age groups examined for both men and women, 3.0 percent of total assets.

StateData

Figure G reports the States with the largest number of millionaires [8]. California, with its large population, had the greatest number of individuals with net worth of \$1 million or more, 228,000. New York had the second largest number of millionaires, 120,000, while Florida with 112,000 millionaires was third in this ranking.

Looking at the number of millionaires on a per capita basis eliminates the distortions caused by the large populations in some States and thereby presents a somewhat different picture of the distribution of wealth across States [9]. Using this measure, Con-

necticut, the 27th largest state in terms of population size, had the greatest concentration of individuals with net worth of \$1 million or more, 1,265 millionaires per 100,000 residents. The District of Columbia, the 48th largest "state" by population size, ranked second with 1,230 millionaires per 100,000 residents, and New Jersey was third with 1,084 millionaires per 100,000 residents. California, the state with the greatest number of millionaires and almost 12 percent of the total U.S. population, ranked fifth with 1,000 millionaires per 100,000 residents. Figure H classifies the States into three groups ranked by the per capita number of millionaires: the top third, those above the median; the middle third, the median; and those below the median. The Figure shows that individuals with net worth of \$1 million or more were most highly concentrated in the Northeast and on the West Coast.

TopWealthHolders, 1986-1995

The number of adult top wealth holders increased 24.1 percent between 1986 and 1995, while their total asset holdings increased 22.6 percent [10]. Figure I shows that there was an increase in the number of top wealth holders between 1986 and 1989, a period marked by economic expansion. The economy entered a recession at the end of 1990, one that officially lasted until March 1991. While the economic downturn was short-lived, recovery was slow and uneven. The effect of the recession is reflected in the slight decrease in the number of top wealth holders between 1989 and 1992. However, the growth in the number of top wealth holders between 1992 and 1995 is evidence of the economic recovery that occurred after the recession. In fact, the increase in the number of top wealth holders between 1992 and 1995 more than made up for the losses of the prior period.

Figure J shows the distribution of top wealth holders by sex for 1986-1995. Overall, males made up about two-thirds of this group, although, on average, they accounted for only 48.8 percent of the total U.S. population during this period [11]. However, the percentage of top wealth holders who were male declined over these 10 years. In contrast, the percentage of total top wealth holders who were female increased steadily between 1986 and 1995, despite

Figure G

States with the Largest Number of Resident Millionaires, 1995¹

[Numbers are in thousands.]

State	Number of millionaires	Total population	Millionaires as a percentage of State population
	(1)	(2)	(3)
California.....	228	22,795	1.00
New York.....	120	13,599	0.89
Florida.....	112	10,795	1.04
Illinois.....	78	8,704	0.89
Texas.....	76	13,323	0.57
Pennsylvania.....	70	9,163	0.76
New Jersey.....	65	5,982	1.08
Ohio.....	47	8,291	0.57
Michigan.....	37	7,029	0.52
Massachusetts.....	36	4,642	0.77

¹ Millionaires defined as individuals with net worth of \$1 million or more.

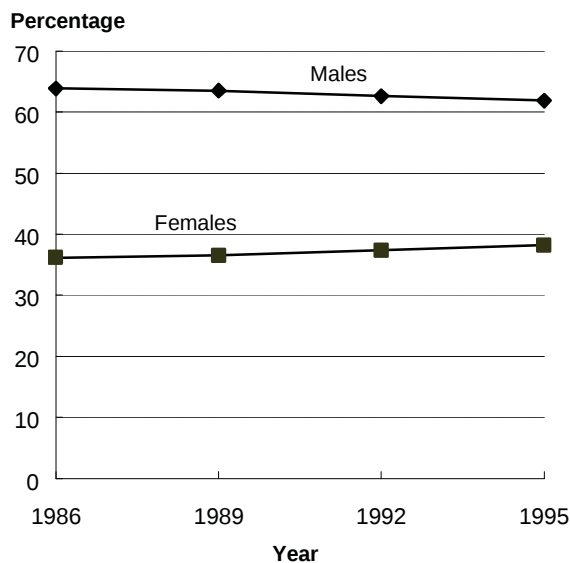
Figure H

[illegible]

Number of Top Wealth Holders With at Least \$750,000 in Gross Assets, Selected Years, 1986-1995



Percentage of Top Wealth Holders, by Sex, Selected Years, 1986-1995



Personal Wealth, 1995

the 0.2-percent decline in the percentage of women in the overall U.S. population during the same period.

Figure K depicts changes in the age composition of male top wealth holders over time. The median age of male top wealth holders was relatively stable between 1986 and 1995, declining slightly from 68 to 66. The percentage of males age 40 and younger declined from 16.1 percent to 11.0 during this period. Likewise, the percentage of wealthy males who were between the ages of 40 and 50 declined. However, the percentage of all male top wealth holders who were between the ages 50 and 65 did not change between 1986 and 1995. In contrast, the percentage of male top wealth holders who were age 65 or older increased during the 10-year period. These patterns suggest an overall aging of the existing wealth holder population with relatively fewer “new” young male top wealth holders entering the population during the period.

Looking at female top wealth holders by age over the 10 years between 1986 and 1995 reveals a somewhat different picture (see Figure L). While there

was a decline in the percentage of all female top wealth holders in the youngest age category during the period, the trends in the remaining age categories are much less clear. The percentage of wealthy females between the ages of 40 and 50 increased between 1986 and 1989, but the relative size of this group remained unchanged between 1989 and 1995. There is no real change in the percentage of all female wealth holders who were between the ages of 50 and 65. The percentage of female top wealth holders who were age 85 or older increased between 1986 and 1995. The relative stability in the percentage of wealthy females in most age categories indicates that the steady growth in the number of female wealth holders between 1986 and 1995, seen earlier in Figure J, occurred in all age groups. Like their male counterparts, there was a slight decline in the median age for female top wealth holders between 1986 and 1995, from 78 to 76.

Figure M shows that, during the same 10-year period, the majority of male top wealth holders, over 70 percent, were married, slightly higher than the

Figure K

Percentage of Male Top Wealth Holders, by Age, Selected Years, 1986-1995

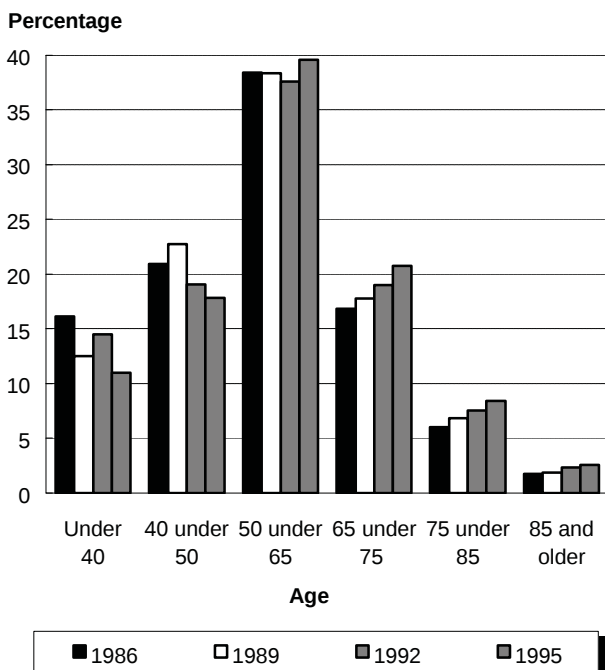
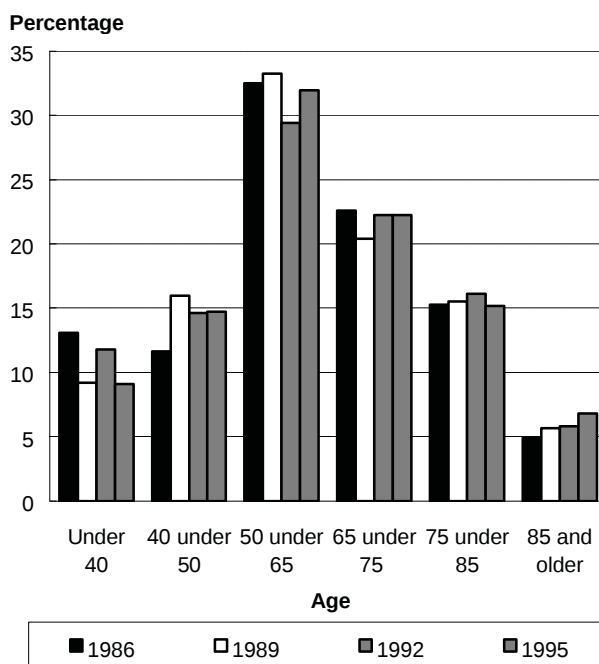


Figure L

Percentage of Female Top Wealth Holders, by Age, Selected Years, 1986-1995



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average 65 percent of all males who were married in the general U.S. population [12]. Interestingly, the percentage of married male top wealth holders did not change during this period, even though the percentage of married males in the general population had been declining for several decades. The percentage of wealthy males who were widowed, about 6 percent, is higher than the percentage of widowed men in the general population, which averaged about 3 percent of all males between 1986 and 1995. The category “Other” in Figure M mainly includes men who were separated or divorced. The percentage of divorced or separated males in the top wealth holder population was slightly more than 6 percent. It is significant that the percentage of top wealth holders in this category did not change over time, while the percentage of divorced males in the general population rose from 6.6 in 1986 to 8.0 in 1995.

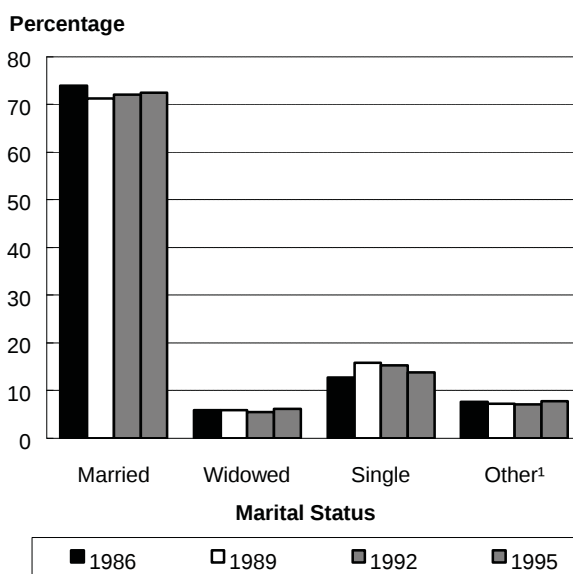
Figure N shows females top wealth holders classified by marital status. While just under 60 percent of the general female population were married, a significantly smaller proportion (about 51 percent) of female top wealth holders were married. On the other hand, a much larger portion of wealthy females, around 30 percent, were widowed, while only about 10 percent of females in the general population were surviving spouses. However, it is interesting to note both the declining proportion of widowed female top wealth holders and the increase in the proportion of married and single wealthy women. These observations might suggest that the increase in the overall percentage of women in the top wealth holder group is attributable to factors such as the increasing number of female entrepreneurs and business executives. The percentage of divorced and separated female top wealth holders was a relatively stable 8 percent between 1986 and 1995, compared to the increase in the percentage of divorced women in the general population from 8.9 percent in 1986 to 10.3 percent in 1995.

Portfolio Composition

Looking at the asset portfolios of top wealth holders by sex shows some important differences. For male top wealth holders, investments in stock accounted for the largest share of their portfolios (see Figure O). A portion of this was invested in closely held or untraded stock. Further, there was a clearly increasing trend in the share of total assets held as stock

Figure M

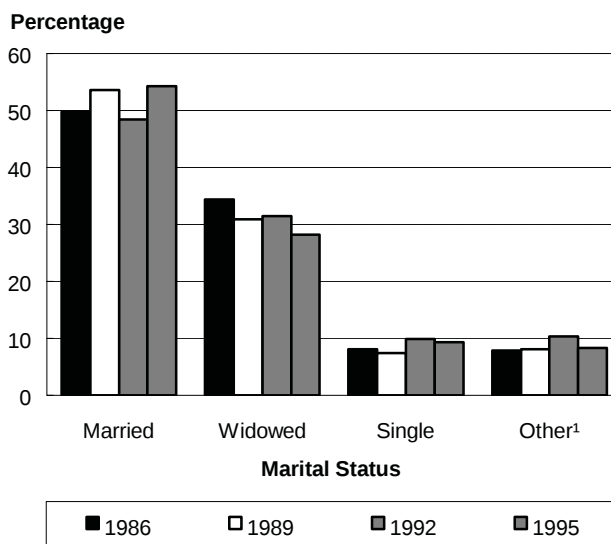
Percentage of Male Top Wealth Holders, by Marital Status, Selected Years, 1986-1995



¹ Includes individuals who were separated or divorced and those for whom marital status was not determinable.

Figure N

Percentage of Female Top Wealth Holders, by Marital Status, Selected Years, 1986-1995



¹ Includes individuals who were separated or divorced and those for whom marital status was not determinable.

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between 1989 and 1995, in keeping with the overall rise in stock values as evidenced by an increase in Standard and Poor's common stock index of 67 percent between 1989 and 1995. This trend is mirrored in the steadily declining percentage of total assets held as real estate in the portfolios of male top wealth holders between 1986 and 1995, and coincides with the nationwide decline in the value of investment real estate in the late 1980's and into the 1990's. It is also interesting to note the declining portion of the portfolio held as cash, probably due to the increasing number of relatively liquid, higher yielding mutual funds that were introduced between 1986 and 1995. The increased share of total assets invested in retirement assets between 1986 and 1995, mainly IRA and Keogh accounts, is due to the increased popularity of defined-contribution retirement plans during this period.

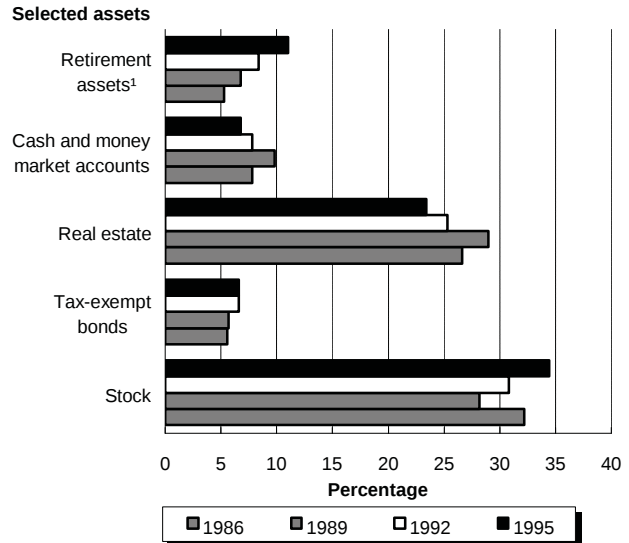
Female top wealth holders, like their male counterparts, invested the largest share of their total assets in stock, although, in contrast to males, a larger share of their stock investments was invested in publicly traded equities, rather than in stock issued by closely held corporations (see Figure P). Again, the portion of total assets invested in real estate declined after 1989, but, overall, women held a somewhat higher percentage of their assets in real estate than males. Compared to male top wealth holders, women also held a significantly higher percentage of their portfolios in tax-exempt State or local government bonds. This may be a reflection of the higher median age for female top wealth holders, since it is typical for older investors to favor the stable, tax-exempt income produced by these bonds.

Concentration Estimates

One way of looking at year-to-year changes in the distribution of wealth is to examine the share of total U.S. wealth held by a constant percentage of the population. Some researchers claim that the share of wealth held by the top 1.0 percent of the population has increased in recent years [13]. Figure Q reports the percentages of total U.S. personal wealth held by the top 1.0 percent and top 0.5 percent of the population, 1989-1995 [14]. In 1995, individuals representing just 1 percent of the total U.S. adult population held 22.47 percent of total U.S. personal wealth, nearly the same as in 1992. While Figure Q shows an almost 1.0-percent increase in the share of wealth

Figure 0

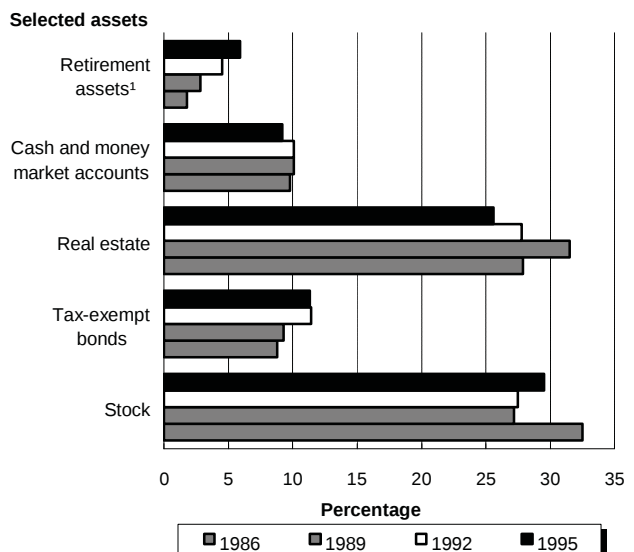
Male Top Wealth Holders: Selected Assets as a Percentage of Total Assets, Selected Years, 1986-1995



¹ Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

Figure P

Female Top Wealth Holders: Selected Assets as a Percentage of Total Assets, Selected Years 1986-1995

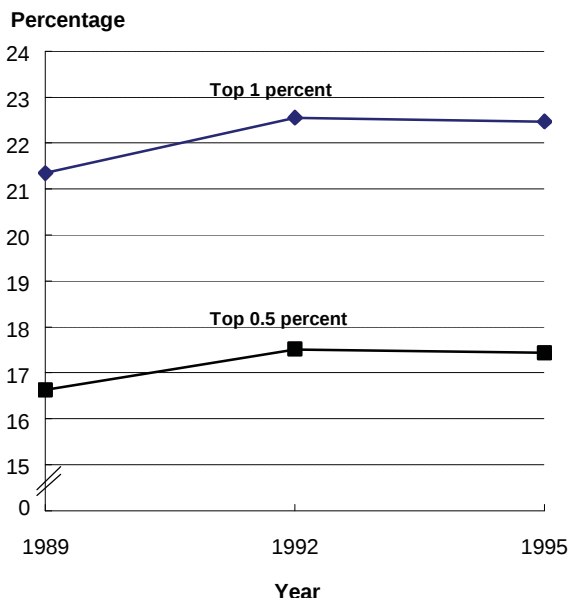


¹ Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

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Figure Q

Percentage of Total U. S. Net Worth Held by the Top 1 Percent and Top 0.5 Percent of the U. S. Population, 1989-1995



held by this group from 1989 to 1995, the increase is not statistically significant, given the margin of error of these estimates. In fact, the percentage of wealth held by the top 1.0 percent of the population remained relatively stable during the 6-year period 1989-1995. The same is true for the share of wealth held by the top 0.5 percent of the total U.S. adult population. The number of individuals in this elite group ranged from about 885,000 in 1989 to about 935,000 in 1995. They held about 17 percent of the nation's net worth during this period. These results suggest that, while the real wealth of the nation's top wealth holders increased between 1989 and 1995, it did so at a rate that was not significantly different from that of the overall adult population. These results are consistent with those derived from the Federal Reserve Board's 1989-1995 Surveys of Consumer Finances [15].

Summary

There were 4.4 million individuals in the United States with gross assets of \$600,000 or more in 1995. These individuals represented 2.5 percent of the total

U.S. population and owned 27.4 percent of total U.S. personal wealth. While the number of individuals in this elite group increased over time, the percentage of wealth held by the top 1.0 percent and the top 0.5 percent of the population did not change significantly in recent years, which indicates that the concentration of wealth in the United States has been relatively stable.

The demographic composition of top wealth holders in 1995 differed significantly from that of the general population. Research has shown that wealthy individuals of both sexes live longer than average Americans. Males made up 63.4 percent of this group, more than their 48.8-percent representation in the overall U.S. population, while women were underrepresented in the top wealth holder group. A smaller percentage of wealthy individuals were divorced or separated, while the percentages of this group who were married or widowed were higher than those of the overall population. Both age and sex seemed to play a role in the portfolio preferences of top wealth holders. Younger wealth holders tended to hold larger portions of their portfolios in equities and investment real estate and had higher debt-to-asset ratios than older wealth holders, who favored lower risk, tax-preferred investments. As a group, wealthy males held a greater percentage of their portfolios in stocks issued by closely held businesses than female wealth holders.

There were a number of notable changes in both the demographic makeup and the portfolio holdings of America's top wealth holders between 1986 and 1995. During this 10-year period, the percentage of women in this group grew steadily across most age groups. Between 1986 and 1995, the percentage of the U.S. population that was divorced increased, while the marital status of the top wealth holder population was remarkably stable. Changes in the asset holdings of America's top wealth holders, 1986-1995, reflected the explosive development of new investment opportunities during this period. There was a distinct trend away from real estate investments in favor of equity investments. The proliferation of mutual funds and relatively secure money market accounts provide a partial explanation for this trend. The percentage of total assets held as retirement assets also increased, reflecting the growing popularity of defined contribution retirement plans during this period.

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Appendix: The Estate Multiplier Technique

The estate multiplier technique assumes that estate tax returns, taken as a whole, represent a random sample of the living wealthy population, and thus provide a means of producing reasonable estimates of personal wealth. The multiplier is equivalent to a sampling weight where the probabilities of selection include the probability of being a decedent and also that of being included in the Statistics of Income sample of estate tax returns. The more difficult computation is determining the probability of being a decedent. Mortality rates for the general population, by age and sex, available from the National Center for Health Statistics, provide the basis for the estimates. However, as mentioned, there is much evidence that the wealthy have mortality rates significantly lower than those of the entire population. The following sections describe the sampling criteria used to select the underlying estate tax returns, as well as recent efforts to develop mortality rates appropriate for this elite segment of the population.

Estate Tax Return Sample Design

Statistics of Income collects data from an annual sample of Federal estate tax returns that are used primarily for policy and budget purposes. The sample follows a 3-year cycle that is designed mainly to accommodate year-of-death estimates, with each study concentrating on decedents who died in the first year, the focus year, of the 3-year cycle. The annual samples are adequate for producing estimates by filing year as well. Year-of-death estimates are desirable because filing extensions and other filing delays mean that returns filed in any given calendar year can represent decedents who died in many different years. Thus, estate tax return data for a single filing year can reflect different economic and tax law conditions. By concentrating on a single year of death, these limitations can be overcome, making it possible to study the data in the context of a single time period.

Returns are selected using a stratified random sample with three stratifying variables. Since 1982, the stratifying variables have been year of death (focus year, non-focus year), total gross estate, and age at death. Gross estate is divided into five categories: \$600,000 under \$1 million, \$1 million under \$2.5 million, \$2.5 million under \$5 million, \$5 million

under \$10 million, and \$10 million or more. Age at death is divided into age under 40, 40 under 50, 50 under 65, 65 under 75, and 75 and older. Sample rates vary from 3 percent to 100 percent, with over half the strata selected with certainty, i.e., at the 100-percent rate.

SOI has combined Federal estate tax returns filed over 3-year periods to produce the estimates of wealth for 1986, 1989, 1992, and 1995 presented here. One of the strengths of the estate multiplier technique is the large sample upon which the estimates are based. The 1986 sample includes over 17,000 returns; the 1989, 22,000 returns; the 1992 more than 16,000 returns; and the 1995 more than 19,000 returns [16].

Mortality Differentials

Research has proven that individuals who are economically or socially better off live longer and are healthier than individuals in the general population. Therefore, it is important to determine a mortality rate appropriate to the wealthy decedents in the estate tax return sample. If mortality and wealth are correlated, then biased estimates will result using mortality rates unadjusted for wealth level. Evidence suggests that there is an inverse relationship between these factors, meaning that unadjusted multipliers would be too low and, thus, underestimate wealth [17].

There have been a considerable number of attempts to quantify differences between the mortality of the general population and that of the very wealthy, looking at factors such as education, income, and occupation, but focusing mainly on white males. In fact, very little research has focused on the effects of these factors on the mortality of women. The first U.S. estimates of personal wealth from estate tax returns used mortality data supplied by the Metropolitan Life Insurance Company for large, whole life insurance policies to adjust national mortality rates. This practice was used by SOI for many years. One drawback was the inability to calculate adjustments that were sex-specific from this data source. Thus, an alternate data set, the National Longitudinal Mortality Study (NLMS), produced by the National Institutes of Health, was used here [18].

The NLMS is a random sample of 1.3 million Americans of all ages, races, and sexes in the civil-

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ian, non-institutionalized population. The sample was drawn mainly from the Census Bureau's Current Population Survey. Interviews, done by telephone, achieved a 96-percent response rate. Respondents were at least 14 years of age.

Because the NLMS did not contain information on a respondent's wealth, income and occupation were used to identify survey respondents with characteristics similar to estate tax decedents. Mortality differentials were produced within age and sex groups by calculating a simple ratio of the mortality rate for NMLS decedents whose incomes and occupations were similar to the incomes and occupations of estate tax decedents to the mortality rate for all individuals in the NMLS sample. National mortality rates, published by the National Center for Health Statistics, were then multiplied by the differential to obtain mortality rates appropriate for wealthy U.S. decedents [19].

The differences between the mortality rates of the general population and those of individuals with characteristics similar to the estate tax decedent population, captured in the magnitude of the mortality rate differentials, were most pronounced for young decedents; these differences disappeared entirely by age 85. For example, the mortality rate for a wealthy male in the NMLS sample under the age of 40 was about half that of all males in the sample. However, for males over 85 years of age, the mortality rates were the same for both groups. The mortality differentials estimated here for wealthy males using the NMLS are comparable with estimates by other researchers using other data sources [20]. Wealth seems to have had a much smaller effect on the mortality rates of females in the NMLS sample than on their male counterparts. The mortality rate for wealthy females in the NMLS sample under age 40 was 89 percent of that for all females in the sample. Again, for females over 85 years of age, the mortality rates were the same for both groups.

Multipliers

The multipliers (or sample weights) were calculated as:

$MULT = 1 / (p \cdot r \cdot d)$ where:

p = probability of selection to the estate tax sample,

r = mortality rate,

d = rate differential.

They ranged from 2 to 2000. Some additional smoothing of the multipliers was employed to constrain both tails of the net worth distribution [21].

Notes and References

- [1] See Menchik, Paul, "Economic Status as a Determinant of Mortality Among Nonwhite and White Older Males: or, Does Poverty Kill?", Institute for Research on Poverty, Discussion Paper Number 93891, 1991.
- [2] Scheuren, Fritz, "Historical Perspectives on IRS Wealth Estimates With a View to Improvements," *Compendium of Federal Estate Tax Data and Personal Wealth Studies*, Department of the Treasury, IRS Publication 1773, 1994, p. 358.
- [3] Eller, Martha and Johnson, Barry, "Using a Sample of Federal Estate Tax Returns To Examine the Effects of Audit Revaluation on Pre-Audit Estimates," *1999 Proceedings of the American Statistical Association, Section on Government Statistics*, forthcoming.
- [4] Unpublished SOI data were used to estimate the effects of discounts on these estimates.
- [5] Estimates of the equity value of life insurance included in total assets were approximated, based on the face value reported on Federal estate tax returns and on the decedent's age. A ratio of the cash value to the face value was developed, using data from wealthy respondents to the 1989, 1992, and 1995 Surveys of Consumer Finances. A simple regression was used to predict the values used in the Statistics of Income estimates. The same set of ratios was used for both males and females, due to a lack of sex-specific data.
- [6] Estimates of both the total assets and net worth of the United States are from household estimates derived from the Board of Governors of the Federal Reserve System's Survey of Consumer Finances (SCF), found in Kennickell, Arthur and Woodburn, Louise, "Consistent Weight Design for the 1989, 1992, and 1995 SCF's and the Distribution of Wealth," Board of Governors of the Federal Reserve System,

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working paper, 1997, p. 6.

- [7] A closely held company is a corporation whose stock is not publicly traded, usually that of a small family-owned corporation.
- [8] While the size of the underlying sample of estate tax returns makes estimates of wealth derived using the estate multiplier technique fairly robust, estimates of wealth by State can be subject to significant year-to-year fluctuations for States with relatively small decedent populations. This is especially true for individuals at the extreme tail of the net worth distribution. For this reason, Table 6 is limited to individuals with net worth of \$10 million or less.
- [9] Estimates of the U.S. adult population, by State, were obtained from U.S. Bureau of the Census, press release CB96-88, also published in U.S. Bureau of the Census, *Statistical Abstract of the United States: 1996 (116th edition*, Washington, DC 1996, Table 34.
- [10] Estimates for 1986, 1989, 1992, and 1995 have been converted to constant 1989 dollars for consistency, using the overall Implicit Price Deflator for Gross Domestic Product (GDP). See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, January/February 1996. In addition, estimates for all years were calculated using a consistent estimation methodology and may differ somewhat from previously published figures (see the Appendix to this article for a discussion of the estimation methodology). Finally, the population examined is limited to individuals with at least \$750,000 in gross assets (in constant 1989 dollars), so that there is complete coverage for all of the years examined.
- [11] Population estimates obtained from U.S. Bureau of the Census, *Current Population Reports*, P25-1130, also published in *Statistical Abstract of the United States: 1996, 116th edition*, U.S. Bureau of the Census, Washington, DC, 1996, Table 13.
- [12] Marital status estimates for the general population, by sex, obtained from U.S. Bureau of the Census, *Current Population Reports*, P20-450, also published in *Statistical Abstract of the United States: 1996, 116th edition*, U.S. Bureau of the Census, Washington, DC, 1996, Table 58.
- [13] See, for example, Wolff, Edward, *Top Heavy: A Study of the Increasing Inequality of Wealth in America*, Twentieth Century Fund Press, New York, 1995.
- [14] See Kennickell and Woodburn, *op. cit.*, pp. 3-6. This section is limited to the period 1989-1995 because there are no comparable estimates of total U.S. wealth for 1986. The Survey of Consumer Finances is a household survey, while the SOI figures are estimates of individual wealth. An estimate of total household wealth should be equivalent to an estimate of total individual wealth. On the other hand, one would not expect estimates for specific points on a distribution of household wealth and a distribution of individual wealth to be identical since some households are made up of more than one individual. For example, the number of households with net worth of \$1 million or more would include single individuals with at least \$1 million, as well as two-person households where each of the individuals had assets of less than that threshold individually, but where the combined wealth was at least \$1 million. On the other hand, only individuals in the first group would be included in the SOI estimates of individuals with \$1 million in net worth, whereas individuals in the second type of household would not.
- [15] Kennickell and Woodburn, *op. cit.*, pp. 21-22.
- [16] Although the overall sample of estate tax returns is large, the number of decedents who were young (age less than 40) or extremely wealthy (gross assets of \$5 million or more) in any given year varies considerably and is small in comparison to their number in the living population. Because of this, the resulting estimates of wealth for these two categories of living individuals would be subject to significant fluctuations from period to period. To reduce this variance, the sample is 'smoothed' by

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including *all* returns for young or wealthy decedents filed during the 3-year sample period without regard to their years of death. These segments of the sample are then post-stratified and re-weighted to represent the true decedent population for the year of interest. This technique reduces the effect of outliers on estimates of personal wealth.

- [17] Smith, James, “Estimating the Wealth of Top Wealth-Holders from Estate Tax Returns,” *Compendium of Federal Estate Tax Data and Personal Wealth Studies*, Department of Treasury, IRS Publication 1773, 1994, p. 336.
- [18] A more detailed description of this study is found in: *A Mortality Study of 1.3 Million Persons by Demographic, Social, and Economic Factors: 1979-1985 Follow-up*, U.S. National Longitudinal Mortality Study, National Institutes of Health, National Heart, Lung, and Blood Institute, NIH Publication

Number 92-3297, 1992.

- [19] Mortality data for 1989, 1992, and 1995 were obtained from the National Center for Health Statistics, Division of Vital Statistics, as reported in the *Monthly Vital Statistics Report*. Data for 1989 are found in Volume 40, Number 11, January 7, 1992; data for 1992 are found in Volume 43, Volume 6, March 22, 1995; data for 1995 are found in Volume 45, Number 11, June 12, 1997. Mortality data for 1986 were obtained from *Vital Statistics of the United States, 1986, Volume II*, U.S. Department of Health and Human Services, National Center for Health Statistics, 1988.
- [20] See, for example, Menchik, *op. cit.*
- [21] For a more complete methodological discussion, see Johnson, Barry, “Updating Techniques for Estimating Wealth from Federal Estate Tax Returns,” *1997 Proceedings of the American Statistical Association, Section on Business and Economic Statistics*.

SOURCE: IRS, Statistics of Income Bulletin, Winter 1999/2000, Publication 1136, Rev. 2/00.

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Table 1.--All Top Wealth Holders with Gross Assets of \$600,000 or More: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth, 1995

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Number of top wealth holders	Total assets	Debts		Net worth		Personal residence	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	4,400	6,713,127	3,469	660,375	4,400	6,052,753	3,151	653,236
Under \$600,000 ¹	1,089	613,288	986	219,737	1,089	393,551	836	133,224
\$600,000 under \$1,000,000.....	1,739	1,459,430	1,264	124,596	1,739	1,334,834	1,189	203,483
\$1,000,000 under \$2,500,000.....	1,201	1,909,089	913	136,880	1,201	1,772,209	855	190,841
\$2,500,000 under \$5,000,000.....	249	905,612	202	61,024	249	844,588	180	64,775
\$5,000,000 under \$10,000,000.....	82	594,822	69	38,042	82	556,780	62	33,403
\$10,000,000 under \$20,000,000.....	27	402,337	24	25,155	27	377,182	20	14,945
\$20,000,000 or more.....	13	828,550	12	54,941	13	773,609	10	12,565

Size of net worth	Other real estate		Closely held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	2,718	1,083,955	939	777,413	3,046	1,172,696	1,671	498,624
Under \$600,000 ¹	581	128,254	182	31,675	586	37,335	149	7,289
\$600,000 under \$1,000,000.....	1,052	254,353	278	64,700	1,234	195,822	693	77,231
\$1,000,000 under \$2,500,000.....	806	334,743	320	166,140	916	292,046	607	146,957
\$2,500,000 under \$5,000,000.....	180	150,125	95	113,323	206	173,774	144	86,211
\$5,000,000 under \$10,000,000.....	64	87,344	39	95,948	69	126,290	53	62,430
\$10,000,000 under \$20,000,000.....	24	54,864	15	86,756	23	92,479	18	40,934
\$20,000,000 or more.....	12	74,273	8	218,870	12	254,951	9	77,571

Size of net worth	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	615	19,703	938	150,434	520	37,160	404	19,121
Under \$600,000 ¹	127	1,272	84	3,511	45	1,247	54	1,463
\$600,000 under \$1,000,000.....	291	9,907	433	38,642	221	9,382	180	5,786
\$1,000,000 under \$2,500,000.....	160	5,596	309	46,929	180	8,977	133	7,104
\$2,500,000 under \$5,000,000.....	27	2,106	71	20,342	47	7,442	24	1,742
\$5,000,000 under \$10,000,000.....	7	663	26	14,970	17	2,827	9	1,255
\$10,000,000 under \$20,000,000.....	2	130	9	9,464	6	2,837	3	984
\$20,000,000 or more.....	1	28	5	16,574	4	4,449	1	786

Footnotes at end of table.

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Table 1.--All Top Wealth Holders with Gross Assets of \$600,000 or More: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth, 1995--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Mixed portfolio mutual funds ²		Cash and money market accounts		Mortgages and notes		Equity value, life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	1,150	75,317	4,210	383,777	1,220	194,666	3,163	145,501
Under \$600,000 ¹	204	5,391	1,035	33,514	222	15,056	1,004	52,209
\$600,000 under \$1,000,000.....	486	25,583	1,661	133,817	440	41,380	1,142	36,835
\$1,000,000 under \$2,500,000.....	350	28,008	1,157	130,302	383	55,563	794	37,100
\$2,500,000 under \$5,000,000.....	73	8,667	237	40,386	110	30,363	148	10,441
\$5,000,000 under \$10,000,000.....	23	4,138	80	22,341	41	18,723	50	5,107
\$10,000,000 under \$20,000,000.....	9	2,118	26	10,453	15	11,821	16	2,516
\$20,000,000 or more.....	5	1,411	13	12,964	9	21,761	8	1,293

Size of net worth	Noncorporate businesses		Limited partnerships		Retirement assets ³		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	943	223,543	664	119,657	3,044	707,070	4,041	264,193
Under \$600,000 ¹	215	27,746	81	3,739	788	86,274	1,001	33,635
\$600,000 under \$1,000,000.....	326	42,537	222	10,778	1,169	205,701	1,582	57,737
\$1,000,000 under \$2,500,000.....	283	51,934	239	21,195	839	254,409	1,107	68,358
\$2,500,000 under \$5,000,000.....	69	24,879	70	15,368	168	93,333	233	34,403
\$5,000,000 under \$10,000,000.....	30	21,299	32	16,565	55	42,173	79	22,285
\$10,000,000 under \$20,000,000.....	12	19,963	13	11,299	16	14,548	26	15,665
\$20,000,000 or more.....	6	35,185	8	40,713	9	10,632	13	32,111

¹ Includes top wealth holders with negative net worth.² Mutual funds with a single investment objective are grouped with similar direct investments in this table.³ Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1995

Table 2.--Male Top Wealth Holders with Gross Assets of \$600,000 or More: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth, 1995*[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]*

Size of net worth	Number of top wealth holders	Total assets	Debts		Net worth		Personal residence	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	2,791	4,339,772	2,226	507,262	2,791	3,832,510	2,005	385,869
Under \$600,000 ¹	844	468,967	763	179,193	844	289,774	649	97,631
\$600,000 under \$1,000,000.....	993	850,981	719	88,231	993	762,750	680	108,959
\$1,000,000 under \$2,500,000.....	721	1,173,264	549	97,635	721	1,075,629	506	104,953
\$2,500,000 under \$5,000,000.....	152	563,393	125	42,975	152	520,417	111	37,112
\$5,000,000 under \$10,000,000.....	53	387,443	45	30,085	53	357,358	39	19,990
\$10,000,000 under \$20,000,000.....	19	282,418	17	21,901	19	260,517	13	8,278
\$20,000,000 or more.....	9	613,307	9	47,242	9	566,065	7	8,947

Size of net worth	Other real estate		Closely held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,744	701,645	724	626,519	1,865	689,651	895	255,750
Under \$600,000 ¹	436	93,307	161	28,141	451	26,857	99	4,420
\$600,000 under \$1,000,000.....	627	152,169	207	52,027	684	94,479	348	34,029
\$1,000,000 under \$2,500,000.....	499	213,224	237	126,049	537	153,384	319	67,569
\$2,500,000 under \$5,000,000.....	115	93,890	71	85,200	124	89,690	80	43,171
\$5,000,000 under \$10,000,000.....	41	57,869	29	74,822	45	72,808	31	36,341
\$10,000,000 under \$20,000,000.....	16	39,486	12	67,728	15	57,899	11	25,114
\$20,000,000 or more.....	8	51,701	7	192,552	8	194,534	6	45,106

Size of net worth	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	378	10,287	487	69,647	287	21,293	217	9,678
Under \$600,000 ¹	102	901	63	2,752	32	807	38	804
\$600,000 under \$1,000,000.....	163	4,845	207	17,202	110	4,414	88	2,691
\$1,000,000 under \$2,500,000.....	92	2,772	156	20,589	99	4,553	69	3,461
\$2,500,000 under \$5,000,000.....	16	1,517	36	10,088	28	4,392	14	709
\$5,000,000 under \$10,000,000.....	4	148	15	6,500	11	1,774	5	597
\$10,000,000 under \$20,000,000.....	1	84	6	4,972	4	2,321	2	829
\$20,000,000 or more.....	1	20	3	7,544	3	3,031	1	585

Footnotes at end of table.

Personal Wealth, 1995

Table 2.--Male Top Wealth Holders with Gross Assets of \$600,000 or More: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth, 1995--Continued*[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]*

Size of net worth	Mixed portfolio mutual funds ²		Cash and money market accounts		Mortgages and notes		Equity value, life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	693	40,736	2,673	217,243	800	127,989	2,316	126,709
Under \$600,000 ¹	159	4,182	798	24,145	170	10,402	797	45,620
\$600,000 under \$1,000,000.....	260	12,695	956	68,525	267	23,812	774	31,502
\$1,000,000 under \$2,500,000.....	206	13,757	697	70,869	246	33,929	575	32,407
\$2,500,000 under \$5,000,000.....	42	4,844	145	23,917	71	19,520	110	9,066
\$5,000,000 under \$10,000,000.....	16	2,672	51	13,836	28	13,571	40	4,638
\$10,000,000 under \$20,000,000.....	6	1,575	18	7,515	11	9,437	14	2,228
\$20,000,000 or more.....	3	1,011	9	8,436	7	17,318	7	1,247

Size of net worth	Noncorporate businesses		Limited partnerships		Retirement assets ³		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	686	167,508	425	76,797	2,053	545,036	2,566	160,549
Under \$600,000 ¹	177	22,837	66	3,239	615	70,193	775	25,320
\$600,000 under \$1,000,000.....	227	31,068	127	6,961	716	149,175	907	33,298
\$1,000,000 under \$2,500,000.....	197	35,942	152	15,678	549	198,266	665	42,804
\$2,500,000 under \$5,000,000.....	50	18,725	44	9,724	114	75,657	142	18,107
\$5,000,000 under \$10,000,000.....	22	17,489	21	11,207	39	30,735	51	12,839
\$10,000,000 under \$20,000,000.....	9	17,255	9	7,858	13	12,779	18	9,561
\$20,000,000 or more.....	4	24,192	5	22,129	7	8,231	9	18,620

¹ Includes top wealth holders with negative net worth.² Mutual funds with a single investment objective are grouped with similar direct investments in this table.³ Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1995

Table 3.--Female Top Wealth Holders with Gross Assets of \$600,000 or More: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth, 1995*[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]*

Size of net worth	Number of top wealth holders	Total assets	Debts		Net worth		Personal residence	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	1,609	2,373,355	1,243	153,112	1,609	2,220,243	1,146	267,367
Under \$600,000 ¹	245	144,321	223	40,543	245	103,778	187	35,594
\$600,000 under \$1,000,000.....	746	608,450	545	36,366	746	572,084	509	94,524
\$1,000,000 under \$2,500,000.....	479	735,824	364	39,245	479	696,580	349	85,888
\$2,500,000 under \$5,000,000.....	97	342,219	77	18,049	97	324,171	69	27,664
\$5,000,000 under \$10,000,000.....	30	207,380	24	7,958	30	199,422	23	13,413
\$10,000,000 under \$20,000,000.....	8	119,919	7	3,254	8	116,665	7	6,666
\$20,000,000 or more.....	4	215,243	4	7,699	4	207,544	3	3,618

Size of net worth	Other real estate		Closely held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	974	382,310	215	150,894	1,181	483,045	777	242,873
Under \$600,000 ¹	144	34,947	22	3,534	135	10,479	50	2,869
\$600,000 under \$1,000,000.....	424	102,184	71	12,673	550	101,343	345	43,202
\$1,000,000 under \$2,500,000.....	307	121,519	83	40,091	379	138,661	287	79,388
\$2,500,000 under \$5,000,000.....	65	56,234	24	28,123	82	84,084	64	43,041
\$5,000,000 under \$10,000,000.....	23	29,475	9	21,127	25	53,482	21	26,089
\$10,000,000 under \$20,000,000.....	7	15,378	4	19,028	7	34,580	6	15,820
\$20,000,000 or more.....	3	22,572	1	26,318	3	60,416	3	32,465

Size of net worth	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	237	9,416	450	80,786	232	15,867	187	9,444
Under \$600,000 ¹	26	372	21	759	13	439	16	659
\$600,000 under \$1,000,000.....	128	5,062	226	21,441	111	4,967	92	3,095
\$1,000,000 under \$2,500,000.....	68	2,824	152	26,340	81	4,424	64	3,643
\$2,500,000 under \$5,000,000.....	11	589	35	10,254	19	3,050	11	1,033
\$5,000,000 under \$10,000,000.....	3	515	11	8,470	6	1,052	4	658
\$10,000,000 under \$20,000,000.....	1	46	4	4,493	2	516	1	156
\$20,000,000 or more.....	1	8	2	9,030	1	1,418	1	201

Footnotes at end of table.

Personal Wealth, 1995

Table 3.--Female Top Wealth Holders with Gross Assets of \$600,000 or More: Total and Type of Assets, Debts, and Net Worth, by Size of Net Worth, 1995--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Mixed portfolio mutual funds ²		Cash and money market accounts		Mortgages and notes		Equity value, life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	458	34,581	1,537	166,534	420	66,676	847	18,792
Under \$600,000 ¹	45	1,209	237	9,369	52	4,654	207	6,589
\$600,000 under \$1,000,000.....	226	12,888	705	65,292	172	17,567	368	5,332
\$1,000,000 under \$2,500,000.....	144	14,252	461	59,434	137	21,634	219	4,692
\$2,500,000 under \$5,000,000.....	31	3,823	93	16,469	39	10,843	38	1,375
\$5,000,000 under \$10,000,000.....	7	1,466	29	8,505	14	5,152	10	469
\$10,000,000 under \$20,000,000.....	3	543	8	2,938	4	2,384	2	288
\$20,000,000 or more.....	1	400	4	4,528	2	4,443	1	46

Size of net worth	Noncorporate businesses		Limited partnerships		Retirement assets ³		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	257	56,035	239	42,859	991	162,033	1,475	103,645
Under \$600,000 ¹	39	4,909	15	500	173	16,081	226	8,315
\$600,000 under \$1,000,000.....	99	11,469	96	3,816	453	56,526	675	24,439
\$1,000,000 under \$2,500,000.....	87	15,992	87	5,516	290	56,143	442	25,554
\$2,500,000 under \$5,000,000.....	20	6,154	26	5,644	54	17,677	91	16,297
\$5,000,000 under \$10,000,000.....	8	3,810	10	5,358	16	11,438	28	9,446
\$10,000,000 under \$20,000,000.....	3	2,708	4	3,441	4	1,769	8	6,104
\$20,000,000 or more.....	2	10,993	2	18,584	2	2,400	4	13,491

¹ Includes top wealth holders with negative net worth.² Mutual funds with a single investment objective are grouped with similar direct investments in this table.³ Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1995

Table 4.--Male Top Wealth Holders with Gross Assets of \$600,000 or More: Total and Type of Assets, Debts, and Net Worth, by Age, 1995

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Number of top wealth holders	Total assets	Debts		Net worth		Personal residence	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	2,791	4,339,772	2,226	507,262	2,791	3,832,510	2,005	385,869
Under 50.....	1,048	1,176,023	921	226,580	1,048	949,443	754	143,306
50 under 65.....	1,009	1,692,161	826	202,786	1,009	1,489,375	758	147,805
65 under 75.....	476	857,247	320	56,698	476	800,549	336	66,126
75 under 85.....	198	436,496	119	12,759	198	423,737	127	22,961
85 and older.....	60	177,845	40	8,439	60	169,405	29	5,671

Age	Other real estate		Closely held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,744	701,645	724	626,519	1,865	689,651	895	255,750
Under 50.....	572	189,502	296	208,306	607	125,803	205	41,047
50 under 65.....	698	308,034	299	262,065	690	222,103	298	67,276
65 under 75.....	327	144,181	101	85,719	361	143,837	227	66,266
75 under 85.....	121	49,172	25	49,843	158	135,911	126	53,744
85 and older.....	26	10,757	4	20,586	48	61,996	38	27,417

Age	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ¹	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	378	10,287	487	69,647	287	21,293	217	9,678
Under 50.....	116	1,151	122	12,146	67	4,425	55	2,421
50 under 65.....	138	2,379	153	20,188	96	6,637	72	3,164
65 under 75.....	81	3,718	116	16,685	74	7,079	56	2,233
75 under 85.....	35	2,326	74	13,283	38	2,231	26	1,339
85 and older.....	9	713	22	7,346	13	920	7	521

Age	Mixed portfolio mutual funds ¹		Cash and money market accounts		Mortgages and notes		Equity value, life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	693	40,736	2,673	217,243	800	127,989	2,316	126,709
Under 50.....	234	10,919	992	60,352	251	34,318	900	47,097
50 under 65.....	241	14,008	974	74,422	317	51,826	869	58,940
65 under 75.....	146	9,349	456	44,712	163	28,428	376	15,650
75 under 85.....	54	4,548	192	27,483	55	10,360	139	4,182
85 and older.....	17	1,913	59	10,273	13	3,058	33	840

Age	Noncorporate businesses		Limited partnerships		Retirement assets ²		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	686	167,508	425	76,797	2,053	545,036	2,566	160,549
Under 50.....	252	63,214	122	17,413	754	125,941	960	57,137
50 under 65.....	273	60,858	168	32,928	811	264,240	934	59,218
65 under 75.....	113	23,703	95	19,023	368	131,498	441	25,996
75 under 85.....	40	7,473	33	5,108	107	21,470	180	12,617
85 and older.....	8	12,261	6	2,325	13	1,888	51	5,580

¹ Mutual funds with a single investment objective are grouped with similar direct investments in this table.² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1995

Table 5.--Female Top Wealth Holders with Gross Assets of \$600,000 or More: Total and Type of Assets, Debts, and Net Worth, by Age, 1995

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Number of top wealth holders	Total assets	Debts		Net worth		Personal residence	
			Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	1,609	2,373,355	1,243	153,112	1,609	2,220,243	1,146	267,367
Under 50.....	435	536,581	359	60,254	435	476,327	309	73,733
50 under 65.....	475	736,054	365	59,433	475	676,621	374	95,183
65 under 75.....	351	525,580	255	23,381	351	502,200	268	58,803
75 under 85.....	236	391,279	177	7,093	236	384,187	154	30,918
85 and older.....	112	183,861	88	2,952	112	180,908	42	8,731

Age	Other real estate		Closely held stock		Other stock		Tax-exempt bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	974	382,310	215	150,894	1,181	483,045	777	242,873
Under 50.....	245	88,482	80	57,335	274	77,607	132	26,585
50 under 65.....	339	152,796	78	49,793	344	128,510	217	51,435
65 under 75.....	223	76,777	38	23,591	282	116,572	212	66,079
75 under 85.....	121	43,324	15	9,602	190	101,220	150	72,750
85 and older.....	47	20,930	3	10,573	91	59,135	65	26,024

Age	Federal savings bonds		Other Federal Government bonds		Corporate and foreign bonds		Mixed bond mutual funds ¹	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	237	9,416	450	80,786	232	15,867	187	9,444
Under 50.....	45	808	77	16,820	41	3,723	36	2,663
50 under 65.....	56	1,433	123	19,078	67	4,177	59	2,058
65 under 75.....	70	3,091	111	15,245	58	3,594	43	1,697
75 under 85.....	43	2,159	93	17,699	45	2,781	35	1,932
85 and older.....	23	1,924	47	11,945	21	1,591	14	1,094

Age	Mixed portfolio mutual funds ¹		Cash and money market accounts		Mortgages and notes		Equity value, life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	458	34,581	1,537	166,534	420	66,676	847	18,792
Under 50.....	111	9,447	409	30,196	105	22,941	299	8,028
50 under 65.....	147	10,122	449	39,201	129	18,313	283	6,304
65 under 75.....	106	6,746	339	40,622	102	15,383	147	2,880
75 under 85.....	67	5,480	230	37,152	63	8,183	87	1,282
85 and older.....	27	2,786	110	19,362	21	1,856	30	298

Age	Noncorporate businesses		Limited partnerships		Retirement assets ²		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	257	56,035	239	42,859	991	162,033	1,475	103,645
Under 50.....	74	18,483	51	7,824	305	47,728	394	24,974
50 under 65.....	95	23,610	84	15,797	350	61,692	445	33,289
65 under 75.....	50	7,863	60	7,559	227	39,274	325	21,267
75 under 85.....	28	5,066	36	10,474	90	11,384	214	16,415
85 and older.....	10	1,014	9	1,205	18	1,956	97	7,700

¹ Mutual funds with a single investment objective are grouped with similar direct investments in this table.² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1995

Table 6.--Top Wealth Holders with Gross Assets of \$600,000 or More and Net Worth Under \$10,000,000: Total and Selected Assets, Debts, and Net Worth, by State of Residence, 1995

[All figures are estimates based on samples -- numbers are in thousands, money amounts are in millions of dollars]

State of residence	Number of top wealthholders	Total assets	Debts		Net worth	
			Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	4,360	5,482,241	3,433	580,279	4,360	4,901,962
Alabama.....	50	57,997	39	4,553	50	53,445
Alaska.....	10	10,397	10	1,437	10	8,960
Arizona.....	52	66,624	42	6,125	52	60,499
Arkansas.....	24	26,760	14	1,807	24	24,953
California.....	653	889,820	543	132,961	653	756,860
Colorado.....	65	79,573	58	7,901	65	71,672
Connecticut.....	87	122,382	75	11,963	87	110,419
Delaware.....	12	13,851	9	1,020	12	12,832
District of Columbia.....	15	19,645	14	2,255	15	17,390
Florida.....	298	417,251	222	42,208	298	375,043
Georgia.....	88	107,043	75	13,454	88	93,588
Hawaii.....	24	25,944	20	2,745	24	23,199
Idaho.....	11	17,811	10	2,613	11	15,198
Illinois.....	226	292,736	183	29,318	226	263,418
Indiana.....	60	76,322	47	6,343	60	69,978
Iowa.....	61	60,611	39	6,378	61	54,233
Kansas.....	42	49,423	32	5,597	42	43,825
Kentucky.....	39	47,993	29	6,856	39	41,137
Louisiana.....	43	51,771	38	4,822	43	46,950
Maine.....	15	19,617	11	2,244	15	17,373
Maryland.....	81	102,135	62	7,849	81	94,286
Massachusetts.....	130	151,389	114	18,008	130	133,382
Michigan.....	115	145,908	91	11,174	115	134,734
Minnesota.....	73	78,988	53	9,439	73	69,548
Mississippi.....	25	29,792	18	3,907	25	25,884
Missouri.....	68	89,869	52	6,652	68	83,217
Montana.....	16	17,593	13	3,474	16	14,119
Nebraska.....	32	37,087	25	4,274	32	32,813
Nevada.....	21	37,729	18	3,329	21	34,400
New Hampshire.....	19	22,936	13	3,283	19	19,654
New Jersey.....	190	239,321	135	18,570	190	220,751
New Mexico.....	24	27,157	18	4,469	24	22,687
New York.....	400	487,457	306	44,896	400	442,561
North Carolina.....	109	129,585	89	10,665	109	118,920
North Dakota.....	13	14,491	9	2,170	13	12,321
Ohio.....	169	194,877	120	15,826	169	179,051
Oklahoma.....	39	40,713	27	2,876	39	37,837
Oregon.....	56	75,041	43	11,391	56	63,650
Pennsylvania.....	175	224,065	143	16,890	175	207,175
Rhode Island.....	14	14,421	11	966	14	13,455
South Carolina.....	65	70,134	51	7,880	65	62,255
South Dakota.....	13	11,894	9	842	13	11,052
Tennessee.....	76	92,481	55	7,930	76	84,551
Texas.....	254	312,664	213	32,024	254	280,640
Utah.....	19	24,690	13	2,640	19	22,050
Vermont.....	9	10,986	8	823	9	10,163
Virginia.....	95	117,340	77	15,775	95	101,566
Washington.....	92	118,578	72	10,622	92	107,956
West Virginia.....	15	18,349	14	2,425	15	15,924
Wisconsin.....	60	71,211	46	4,808	60	66,403
Wyoming.....	9	10,266	5	1,077	9	9,190
Other areas ¹	7	9,523	5	725	7	8,798

Footnotes at end of table.

Personal Wealth, 1995

Table 6.--Top Wealth Holders with Gross Assets of \$600,000 or More and Net Worth Under \$10,000,000: Total and Selected Assets, Debts, and Net Worth, by State of Residence, 1995--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

State of residence	Real estate		Corporate stock		Cash and money market accounts		Bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total.....	3,963	1,580,544	3,358	1,297,053	4,171	360,360	2,360	571,283
Alabama.....	47	13,473	42	13,281	50	3,848	25	7,721
Alaska.....	9	3,435	7	1,422	9	411	5	356
Arizona.....	50	21,760	41	14,964	49	4,438	34	9,171
Arkansas.....	22	6,101	17	6,527	24	2,697	15	3,237
California.....	613	360,220	480	165,456	636	53,682	338	75,159
Colorado.....	61	25,121	53	17,043	61	4,584	35	7,617
Connecticut.....	77	33,395	67	34,531	85	7,771	50	11,117
Delaware.....	10	2,608	9	4,026	12	1,003	8	1,440
District of Columbia.....	12	6,143	9	4,143	14	1,139	7	2,858
Florida.....	271	107,065	234	106,687	279	23,399	181	63,943
Georgia.....	80	33,960	69	27,956	85	6,735	39	7,902
Hawaii.....	23	12,607	15	3,796	23	1,613	8	1,790
Idaho.....	10	5,584	8	5,197	11	814	6	1,132
Illinois.....	203	83,455	179	71,771	215	18,646	119	30,555
Indiana.....	53	19,363	47	20,069	58	6,547	29	7,811
Iowa.....	55	16,433	41	13,404	59	4,864	37	5,388
Kansas.....	39	12,747	33	10,346	40	4,045	23	6,123
Kentucky.....	38	12,025	31	12,249	37	5,439	22	4,487
Louisiana.....	41	14,591	35	11,268	41	3,253	29	6,750
Maine.....	14	6,781	10	5,542	14	859	6	1,748
Maryland.....	73	26,492	66	28,648	78	4,846	48	12,515
Massachusetts.....	122	45,960	104	39,547	125	9,842	68	13,591
Michigan.....	106	31,208	96	40,655	111	9,147	61	11,762
Minnesota.....	68	21,690	58	18,181	67	5,023	36	7,090
Mississippi.....	23	6,581	20	8,631	24	2,722	11	2,332
Missouri.....	57	18,967	52	24,010	65	7,303	44	12,609
Montana.....	14	6,853	11	3,707	15	1,686	8	908
Nebraska.....	29	10,163	21	8,323	30	2,909	14	3,081
Nevada.....	21	11,608	18	11,179	20	1,616	10	4,358
New Hampshire.....	17	5,676	15	6,611	18	1,693	10	2,419
New Jersey.....	175	61,712	150	58,494	183	17,167	108	30,287
New Mexico.....	20	6,685	17	7,046	24	2,063	12	2,733
New York.....	337	128,537	290	100,607	377	34,247	221	58,034
North Carolina.....	102	37,612	84	33,553	103	7,553	54	11,084
North Dakota.....	12	4,614	11	3,164	13	869	5	582
Ohio.....	143	45,418	135	57,656	156	13,221	88	19,742
Oklahoma.....	34	8,477	26	8,865	38	4,309	18	5,643
Oregon.....	52	25,600	47	17,515	52	3,653	26	5,820
Pennsylvania.....	153	44,678	137	55,108	161	14,676	102	26,491
Rhode Island.....	12	3,804	10	4,403	14	828	9	2,046
South Carolina.....	60	22,078	47	14,360	63	3,304	34	5,924
South Dakota.....	12	3,377	10	2,451	12	759	8	1,141
Tennessee.....	71	24,373	53	23,403	72	7,645	39	7,727
Texas.....	236	72,432	201	70,761	251	24,227	139	35,033
Utah.....	17	6,332	14	6,652	17	1,896	6	1,312
Vermont.....	8	2,266	9	3,560	9	678	6	1,652
Virginia.....	91	35,328	78	30,388	91	6,914	54	10,042
Washington.....	87	37,695	73	25,576	90	7,557	55	10,715
West Virginia.....	15	3,770	13	7,066	15	1,306	11	2,148
Wisconsin.....	54	18,629	53	21,011	59	3,934	34	4,765
Wyoming.....	8	3,204	7	2,746	9	389	3	443
Other areas ¹	5	1,858	6	3,498	6	595	3	950

¹ U.S. citizens domiciled abroad. Persons who acquired U.S. citizenship solely by virtue of being a citizen of Puerto Rico or the Virgin Islands are not included.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1998

by Barry W. Johnson and Lisa M. Schreiber

There were more than 6.5 million individuals in the United States with gross assets of \$625,000 or more in 1998. These “top wealth holders” represented about 3.4 percent of the total U.S. adult population. As a group, top wealth holders owned more than \$11.1 trillion in assets, or almost 32.6 percent of total U.S. personal asset holdings. Almost 4.0 million, or 61.2 percent, of these wealthy individuals were male, and 2.5 million were female. The number of millionaires in the United States grew to more than 2.7 million in 1998.

Background

The distribution and composition of personal wealth in the United States are topics of great interest among researchers and policy planners. Unfortunately, these issues are difficult to research, since there are few sources of data on the wealth holdings of the general population, especially the very rich. Federal estate tax returns (Form 706) provide a unique source from which to study the nation’s wealthiest individuals. The estate tax return contains a complete listing of a decedent’s assets and debts, as well as a demographic profile of the decedent and information on the costs of administering the estate. A decedent’s estate has up to 9 months to file an estate tax return, but use of a 6-month extension is common. It is, therefore, necessary to combine returns filed over a number of calendar years in order to capture data representative of all estate tax decedents dying in a single year.

The estate multiplier technique is used to estimate the wealth of living individuals from Federal estate tax return data. The fundamental assumption underlying this methodology is that estate tax returns filed for decedents who died in a particular year represent a random sample, designated by death, of the living population in that year. Estimates of the wealth holdings of the living population are derived by applying a multiplier, based on appropriate mortality rates, to this sample.

Barry W. Johnson and Lisa M. Schreiber are economists in the Special Studies Special Projects Section. This article was prepared under the direction of Michael Alexander, former Chief, now retired.

Limitations

While the sample size and richness of available data make this estimation technique attractive, there are limitations to be noted. First, and most important, estate tax returns provide a presumably random sample, stratified by age, not of the total population, but of living persons with gross estates at or above the estate tax filing threshold. Research has proven that “individuals who are economically or socially better off also live longer, on average, and are healthier” [1]. Factors such as access to better health services, better diet and nutrition, fewer risks on the job, and access to better housing seem to contribute to this phenomenon. Therefore, determining a mortality rate appropriate to this sample poses a challenge. It has also been shown that, while estimates of patterns of wealth holding, such as differences in portfolio composition among various age and sex groups, appear quite robust over a variety of reasonable alternate assumptions about the longevity of the very wealthy, overall aggregate estimates are relatively sensitive to the selection of the mortality rates [2]. (See the Appendix to this article for a more complete discussion of the estate multiplier technique.)

Second, while estate tax returns are generally prepared by professionals and are, therefore, likely to be more accurate in detail than survey responses, the values reported are used to compute tax liability; so, there is a natural tendency for the values to be somewhat conservative. This is especially true for hard-to-value assets, such as businesses and certain types of real estate. It should also be noted that the estate tax data used for these estimates are pre-audit figures. A recent Statistics of Income (SOI) study, based on the results of IRS audits of estate tax returns filed in 1992, estimated that detected under valuation of assets was about 1.2 percent of total asset holdings [3]. In addition, it is common to claim substantial minority discounts when valuing ownership interests of less than 50 percent in small companies, partnerships, and other, non-liquid assets [4].

Third, while estate tax returns report assets that are owned outright (what has been called prime wealth), total wealth would ideally include wealth to which a person has an income interest but not necessarily actual title. Examples of the latter include defined-benefit pension plans and Social Security benefits.

Personal Wealth, 1998

Finally, the wealth of some individuals near death may differ somewhat from that of the general population in the same age cohort. For some, wealth will have been reduced through expenses related to a final illness. For others, effective estate planning will have reduced the value of the estate reportable for tax purposes.

Valuation Measures

The level of wealth to which these estimates apply is \$625,000 or more in gross estate, the Federal estate tax filing threshold in effect for 1998 U.S. decedents. *Gross estate* is a Federal estate tax concept of wealth that does not conform to usual definitions of wealth, primarily because it includes the face value of life insurance in the wealth of the decedent. Therefore, three measures of wealth are used in this article: gross assets (or gross estate), total assets, and net worth.

Gross assets reflects the gross value of all assets, including the full face value of life insurance, reduced by the value of any policy loans, but excluding any reduction for other indebtedness. This measure defines the individuals included in the top wealth-holder group. *Total assets* is a lower wealth value, but is still essentially a gross measure. It differs from gross assets in that the cash, or equity, value of life insurance (i.e., the value of insurance immediately before the policyholder's death) replaces the "at death" value of life insurance included in gross assets [5]. *Total assets* is the valuation concept on which all the analyses in this article are based. *Net worth* is total assets minus debts.

Top Wealth Holders, 1998

In 1998, there were an estimated 6.5 million adults in the U.S., age 18 and older, with gross assets of \$625,000 or more. The combined total assets for this group was more than \$11.1 trillion. By factoring in the \$957.2 billion in debts held by top wealth holders, the resulting combined net worth was almost \$10.2 trillion. Although they accounted for only about 3.4 percent of the U.S. adult population, the net worth of these top wealth holders made up more than 35.2 percent of total U.S. personal net worth in 1998 [6].

Men made up 61.2 percent of the top wealth-holder population in 1998. The estimated 4.0 million men held almost \$7.0 trillion in total assets, making up approximately 62.4 percent of the value of the top wealth holders' asset pool. Almost 1.7 million male top wealth holders were reported to have had a net worth of \$1 million or more. A large majority, 69.5 percent, of male top wealth holders were married, a significantly higher proportion than the 61.7 percent of all adult men in the United States who were married in 1998 (see Figure A). Only 15.0 percent of male top wealth holders were single, as compared to the 26.9 percent of males who were single in the overall U.S. population [7].

There were more than 2.5 million women top wealth holders in 1998. The combined value of their total assets was approximately \$4.2 trillion. Almost 1.1 million of the female top wealth holders had a net worth of \$1 million or more. The distribution of wealthy women, by marital status, was quite different from that of their counterparts in the overall U.S. population. Married women made up 47.0 percent of

Figure A

Top Wealth Holders, 1998: Marital Status, by Sex

Marital status	Male			Female		
	Number of top wealth holders (in thousands)	Percentage of top wealth holders population	Percentage of U.S. population	Number of top wealth holders (in thousands)	Percentage of top wealth holders population	Percentage of U.S. population
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	3,997	100.0	100.0	2,533	100.0	100.0
Married.....	2,779	69.5	61.7	1,190	47.0	57.9
Widowed.....	264	6.6	2.7	722	28.5	10.8
Single.....	598	15.0	26.9	351	13.9	20.5
Other ¹	356	8.9	8.8	270	10.7	10.8

¹ Includes individuals who were separated or divorced and those for whom marital status was not determinable.

NOTE: Detail may not add to totals because of rounding.

Personal Wealth, 1998

all female top wealth holders, while 57.9 percent of all adult women in the U.S. were married in 1998. Likewise, while just 13.9 percent of wealthy women were single, single women made up 20.5 percent of the adult female population. Conversely, widowed women made up 28.5 percent of the female top wealth holders, which is significantly higher than the percentage of women in the United States who were widows in 1998, 10.8 percent.

Portfolio Composition

There were significant differences in portfolio allocation between top wealth holders in 1998 and similar individuals in 1995, the last year for which SOI estimates are available. Overall, 1998 top wealth holders invested more in publicly traded stock and cash and money market accounts than similar individuals in 1995, and they invested less in other financial assets (including Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds) and investment real estate [8]. Growth in the number of online investment services and increased Internet usage by the general population during the period greatly expanded the accessibility and ease of purchase of stock in publicly held companies; the overall value of these stocks also increased markedly. Both factors could have contributed to the increase in the proportion of stock in the portfolios of wealthy individuals between 1995 and 1998.

Portfolio composition varied substantially by sex and wealth class among America's top wealth holders in 1998. Compared to those in higher net worth groups, individuals with less than \$1 million in net worth devoted a larger percentage of their portfolio to personal residences, investment real estate, and retirement assets. In contrast, top wealth holders with more than \$10 million in net worth, dedicated more of their portfolio to closely held stock than less wealthy investors [9]. Women's portfolios contained a greater proportion of stock in public corporations than those of men, while stock in closely held corporations made up a larger share in the portfolios of male top wealth holders.

Investment real estate, combined with the value of personal residences, dominated the portfolio of men with a net worth less than \$1 million in 1998, accounting for 33.3 percent of total assets. Investments in publicly traded stock made up the second largest share of their portfolio, 15.8 percent, a 71.1-

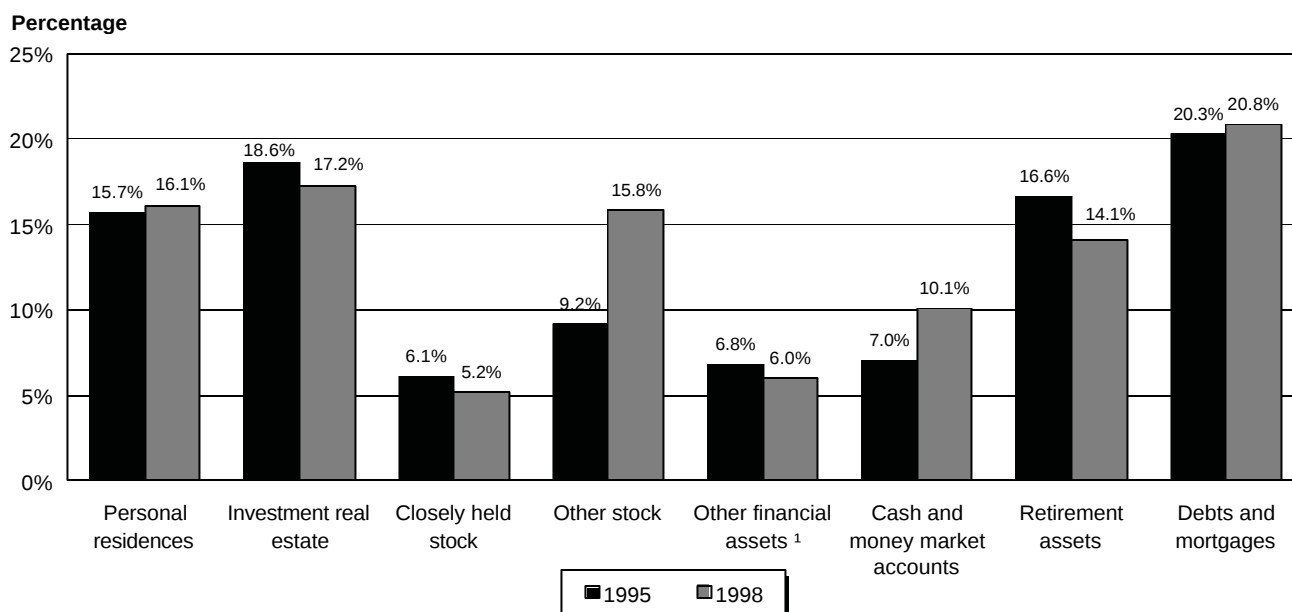
percent increase over the portfolio share devoted to publicly traded stock by male wealth holders in this wealth class in 1995 (see Figure B). Male top wealth holders with between \$1 million and \$10 million in net worth in 1998 held a significantly different portfolio compared to their 1995 counterparts, as shown by Figure C. Investment real estate was the largest asset for individuals in this wealth bracket in 1995. However, in 1998, publicly traded stock was the dominant asset, accounting for 22.6 percent of the aggregate portfolio. Conversely, the portfolios of male top wealth holders with a net worth of \$10 million or more were allocated similarly in both 1995 and 1998 (see Figure D). In both years, the most dominant assets for men in this net worth category were closely held and publicly traded stocks, although both made up slightly smaller portions of the portfolio in 1998. The largest distinction between the two periods for males in the highest net worth category was the portfolio share held in cash or money market accounts; in 1998, male top wealth holders held more of their portfolio in the form of cash and money market accounts than those in the earlier period.

The portfolios held by female top wealth holders in 1998 differed significantly from those of similar women in 1995. Figure E shows that the portfolio of female top wealth holders with a net worth of less than \$1 million in 1998 contained significantly less investment real estate and vastly more publicly traded stock than the portfolio of their 1995 counterparts. A similar difference between the two periods can be observed for female top wealth holders with net worth between \$1 and \$10 million, as publicly traded stock replaced real estate investments (including the value of personal residences) as the major asset in the portfolio for 1998, with stock accounting for 30.7 percent of the total (see Figure F). Figure G shows the dramatic differences between the portfolios of females with a net worth of \$10 million or more in 1995 and 1998. Women in the top wealth bracket in 1998 dedicated 8.0 percent more of their portfolio to publicly traded stock than their 1995 counterparts. Significantly, investments in closely held stock by this wealthiest group of women increased from 13.5 percent of the portfolio in 1995 to 20.2 percent in 1998, reflecting the increasing role of female entrepreneurs in the U.S. economy. In fact, the two most prevalent assets in 1998, publicly traded stock and closely held stock, when combined, composed more

Personal Wealth, 1998

Figure B

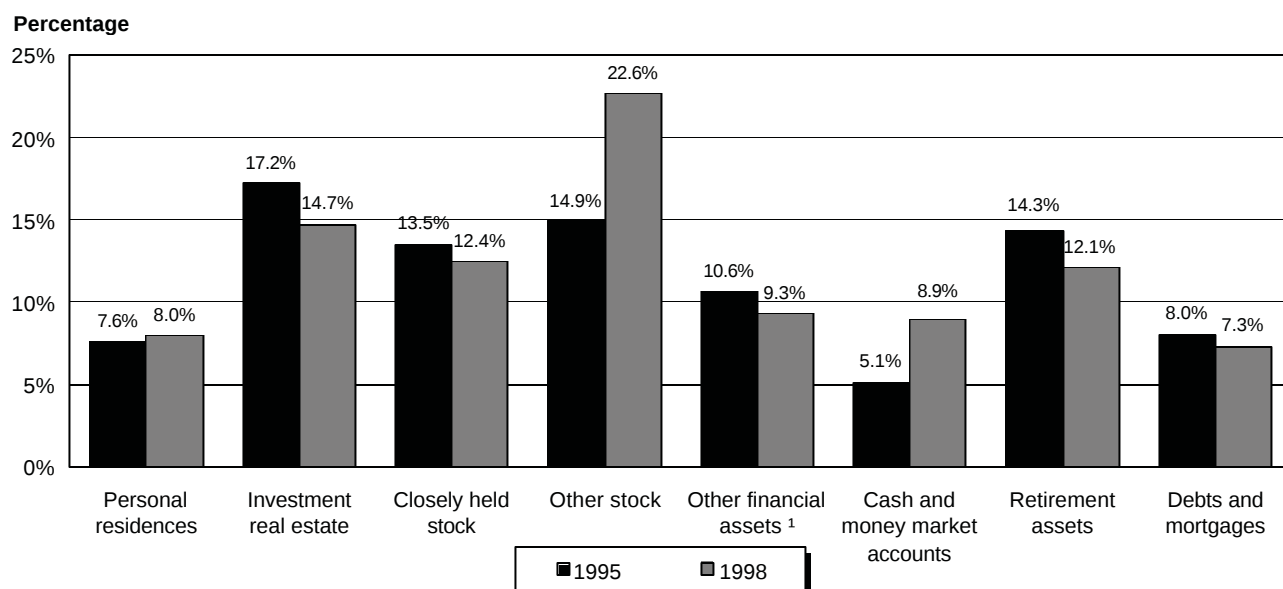
Male Top Wealth Holders with Net Worth of Less Than \$1 Million: Selected Assets and Debts as a Percentage of Total Assets, by Year



¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Figure C

Male Top Wealth Holders with Net Worth of Between \$1 Million and \$10 Million: Selected Assets and Debts as a Percentage of Total Assets, by Year



¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Personal Wealth, 1998

Figure D

Male Top Wealth Holders with Net Worth of \$10 Million or More: Selected Assets and Debts as a Percentage of Total Assets, by Year

Percentage

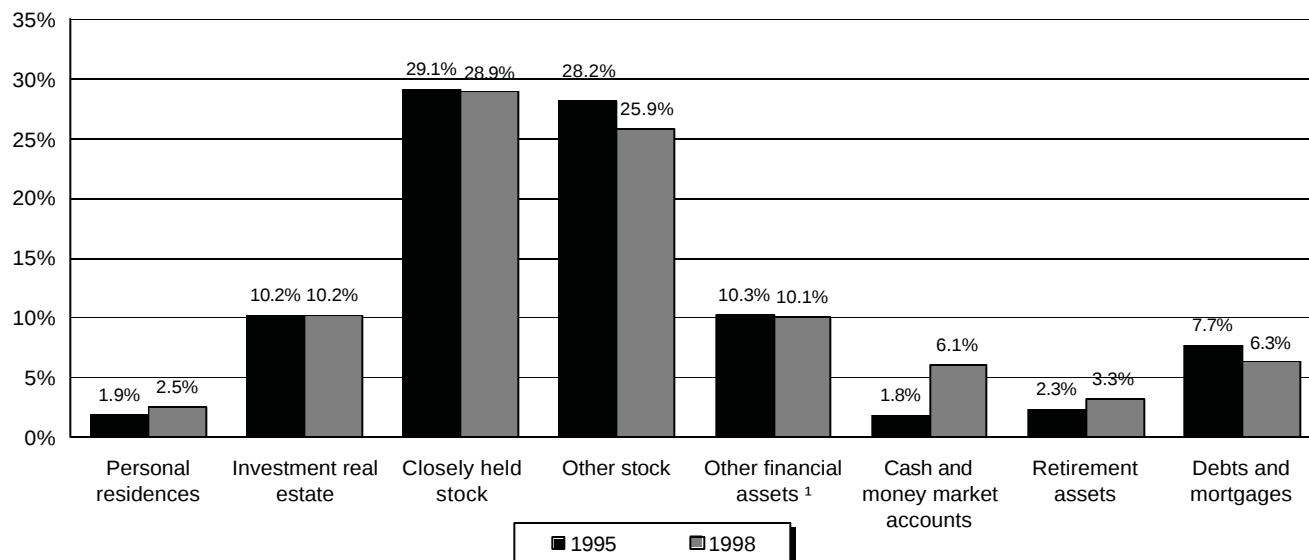
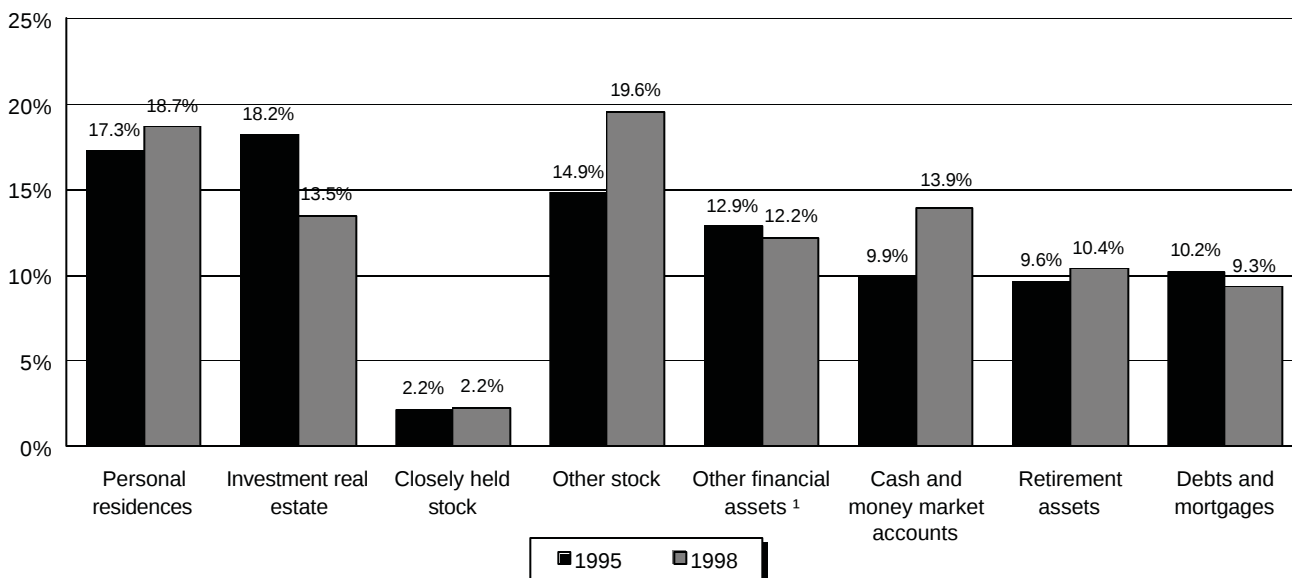


Figure E

Female Top Wealth Holders with Net Worth of Less Than \$1 Million: Selected Assets and Debts as a Percentage of Total Assets, by Year

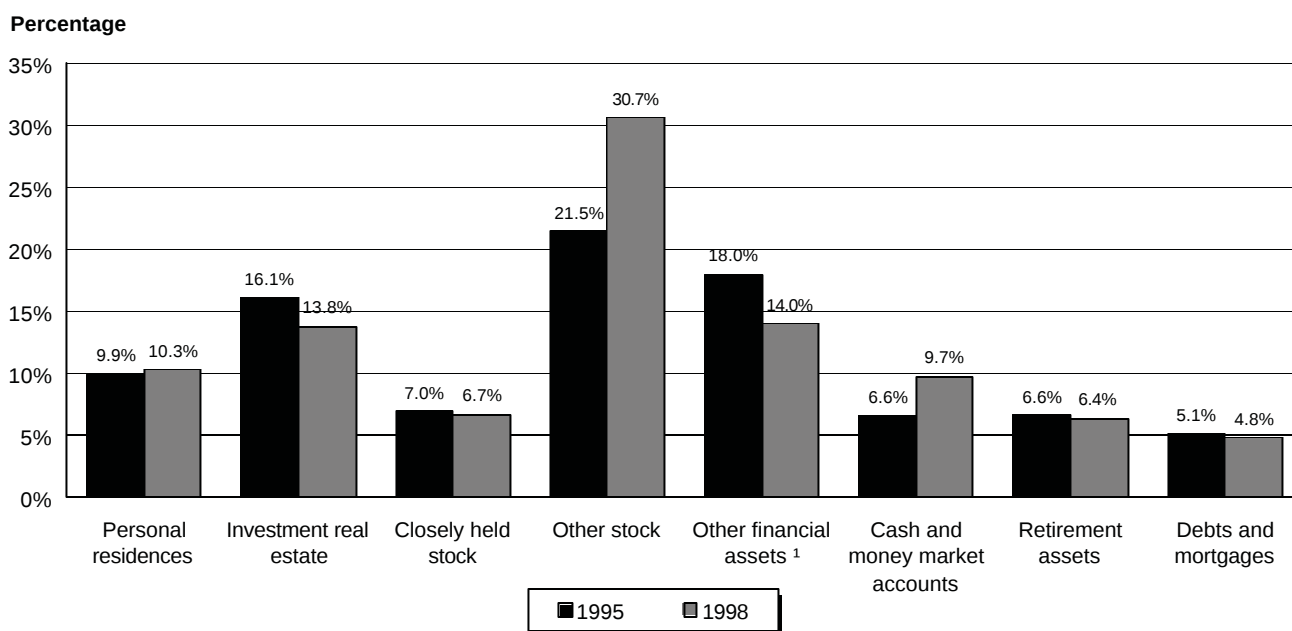
Percentage



Personal Wealth, 1998

Figure F

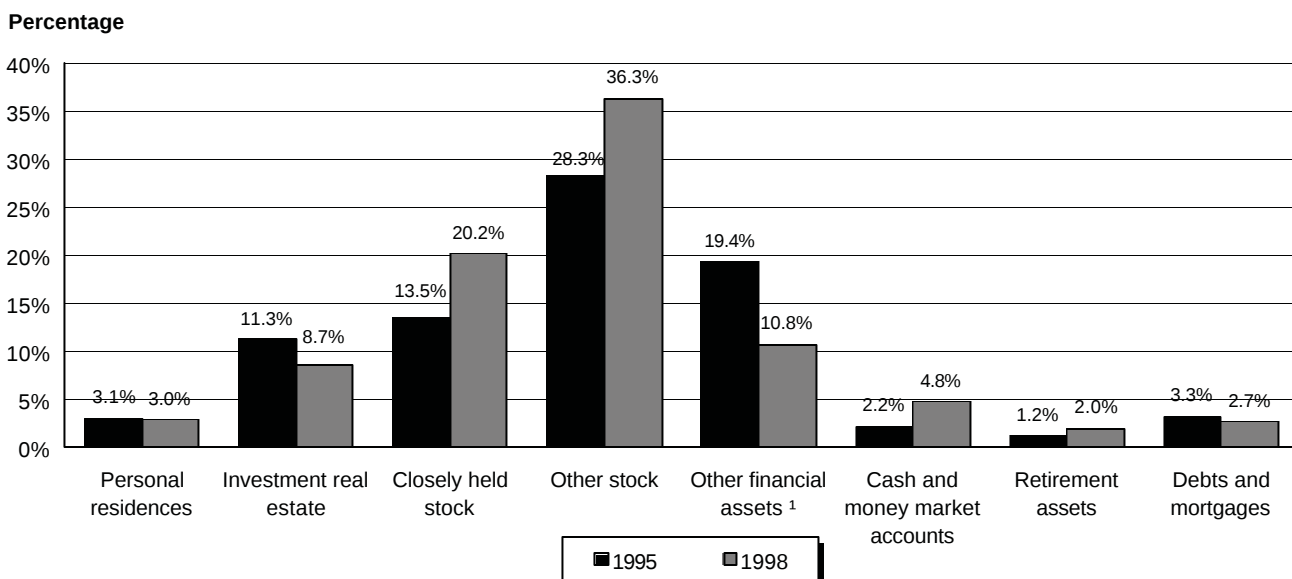
Female Top Wealth Holders with Net Worth of Between \$1 Million and \$10 Million: Selected Assets and Debts as a Percentage of Total Assets, by Year



¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Figure G

Female Top Wealth Holders with Net Worth of \$10 Million or More: Selected Assets and Debts as a Percentage of Total Assets, by Year



¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Personal Wealth, 1998

than half of the portfolio value for women with \$10 million or more in net worth.

Age

In general, personal investment goals tend to change as one ages. Younger investors are usually interested in asset growth opportunities and are often willing to accept higher levels of risk than older investors, who may be more focused on reliable income sources and who tend to prefer investments that are eligible for preferential income tax treatment. In 1998, the value of investment real estate and investments in closely held corporations made up smaller percentages in the portfolios of older top wealth holders than in portfolios held by younger individuals in the same wealth classes, while the portfolios of younger investors included smaller percentages of Government-issued bonds than those of older investors. Publicly traded stock was the dominant asset in the portfolios of wealth holders in every age group and for both genders in 1998. Figure H shows that, in 1998, men under the age of 50 held almost twice as much of their portfolio in the stock of publicly traded corporations compared to

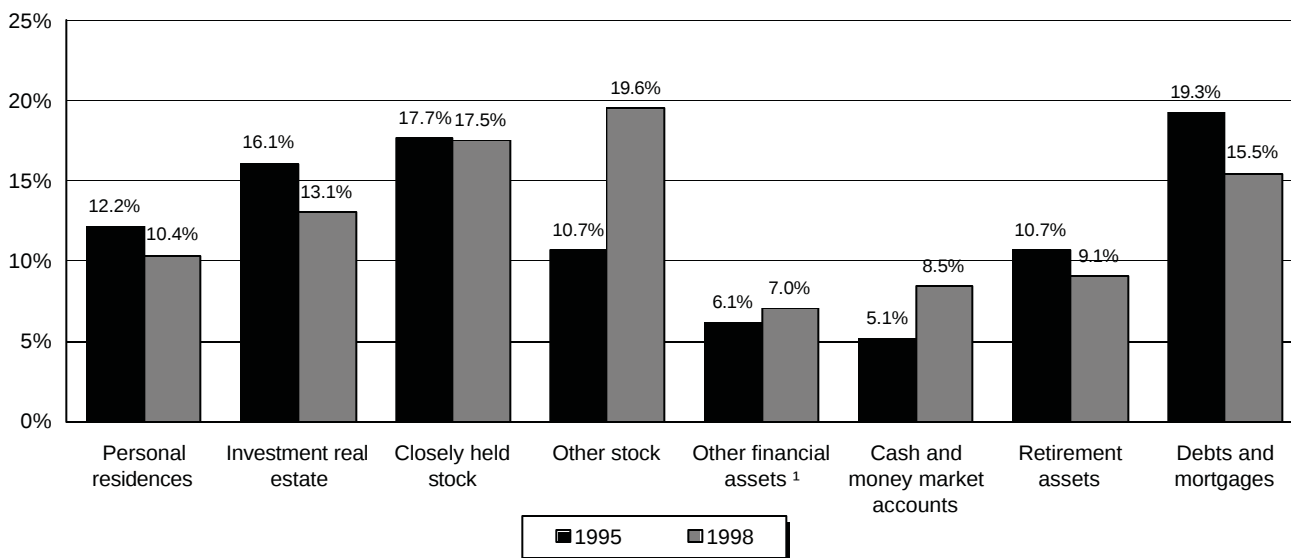
males in this age group in 1995. In 1998, the second most prevalent asset held by these relatively young males was stock in closely held corporations, which made up 17.5 percent of the overall portfolio value. Similarly, while 1995 male top wealth holders between the ages of 50 and 65 had invested predominantly in investment real estate (18.2 percent), publicly traded stocks dominated the portfolio of males in this age bracket in 1998, making up 19.4 percent of the total. For males age 65 and older in both 1995 and 1998, investments in publicly traded stock accounted for the largest share of the portfolio; however, the shares made up of both real estate investments and closely held stock were smaller than for younger males. Figure J illustrates that other financial assets, primarily tax-exempt bonds issued by State and local governments, made up the second largest percentage of the portfolio for male top wealth holders age 65 and older in both 1995 and 1998. These bonds are a low risk, stable source of income that is exempt from Federal, and in some cases State, income tax.

The portfolio of female top wealth holders under the age of 50 held significantly more publicly traded

Figure H

Male Top Wealth Holders under Age 50: Selected Assets and Debts as a Percentage of Total Assets, by Year

Percentage



¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Personal Wealth, 1998

Figure I

Male Top Wealth Holders Age 50 Under 65: Selected Assets and Debts as a Percentage of Total Assets, by Year

Percentage

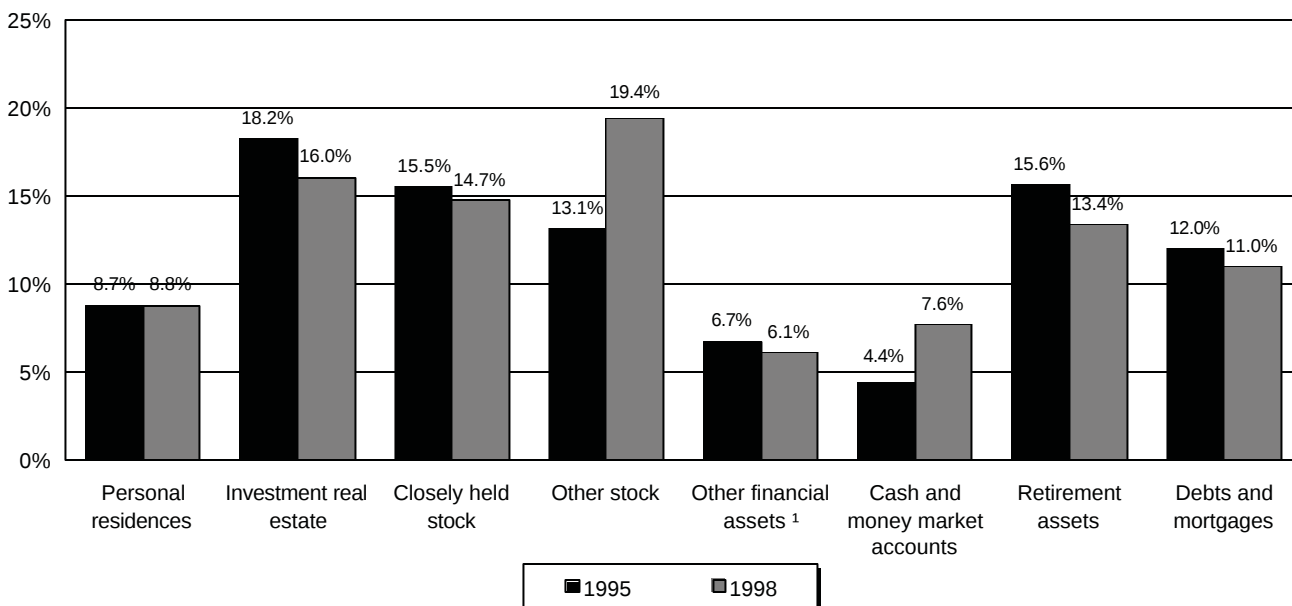
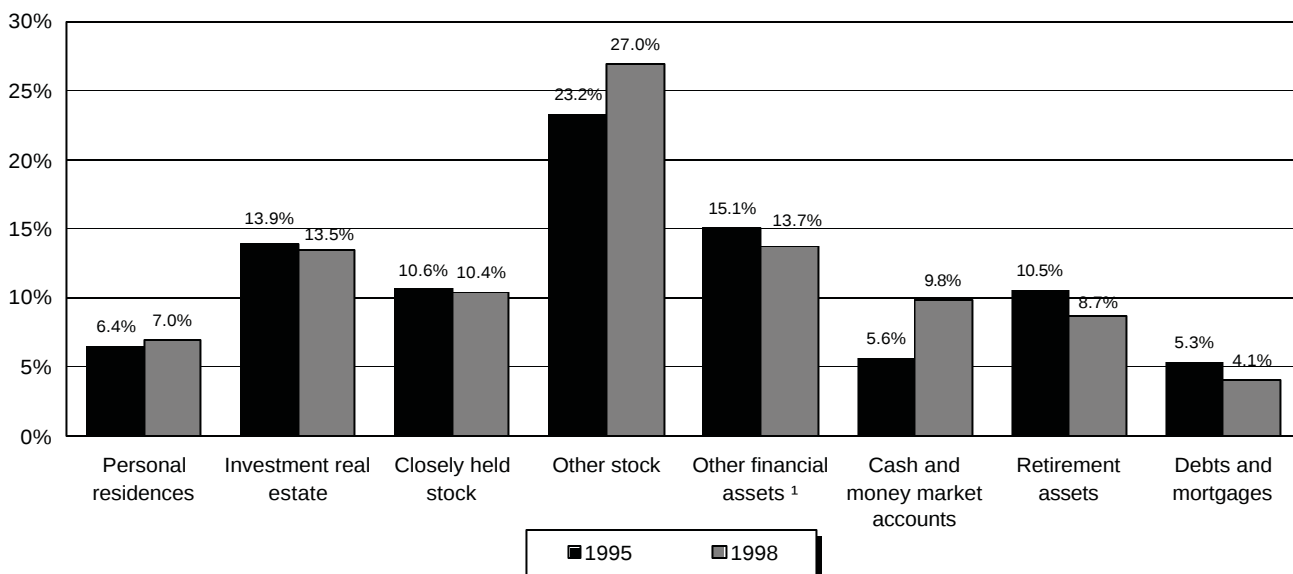
¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Figure J

Male Top Wealth Holders Age 65 and Older: Selected Assets and Debts as a Percentage of Total Assets, by Year

Percentage

¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Personal Wealth, 1998

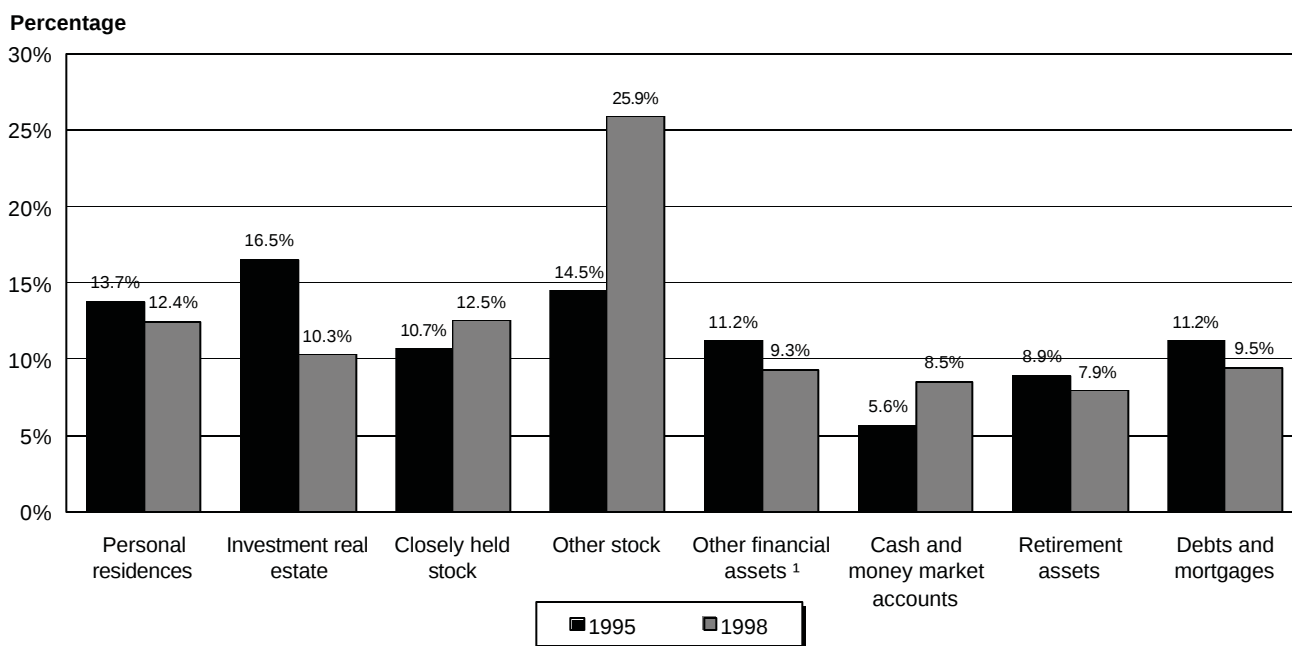
stock in 1998 than in 1995, making publicly traded stock the largest asset in the 1998 portfolio (see Figure K). Closely held stock and personal residences were other major assets in the portfolio held by relatively young women, making up 12.5 percent and 12.4 percent of the total, respectively, in 1998. Likewise, while the dominant portfolio asset in 1995 for women in the 50 under 65 age group was investment real estate, publicly traded stock was the largest portfolio asset in 1998 (see Figure L). Investment real estate ranked second among investment assets, composing 17.2 percent of the portfolio in 1998. Figure M shows that publicly traded stocks made up more than one third of the portfolio of female top wealth holders age 65 and older in 1998, by far the largest share contributed by a single asset type in the portfolios held by men or women in any age bracket. Similar to males over the age of 65, other financial assets, primarily tax-exempt bonds issued by State or local governments, were ranked second in the portfolio, making up 17.6 percent of the portfolio for females in this oldest age group. Investments in closely

held stock accounted for the smallest portfolio share among the assets shown in Figure M.

While there were clear differences in the investment choices made by individuals based on both sex and age, the skewed nature of the distribution of wealth makes it more difficult to discern a similar relationship among sex, age, and an individual's overall level of wealth. Some economic theory predicts that individuals save over their working lifetime and then consume out of those savings after retirement [10]. There are a number of refinements to this theory that suggest the very wealthy may have a number of additional motivations for saving, such as the desire to provide bequests at death, which might mean that wealth accumulation could continue well beyond retirement age. Figure N shows that average net worth clearly increased with age for male top wealth holders. Men under the age of 50 had an average net worth of almost \$1.2 million, while the average for males age 85 and older was nearly \$2.5 million, more than double that of the youngest group. For highly skewed distributions, however, the median

Figure K

Female Top Wealth Holders Under Age 50: Selected Assets and Debts as a Percentage of Total Assets, by Year

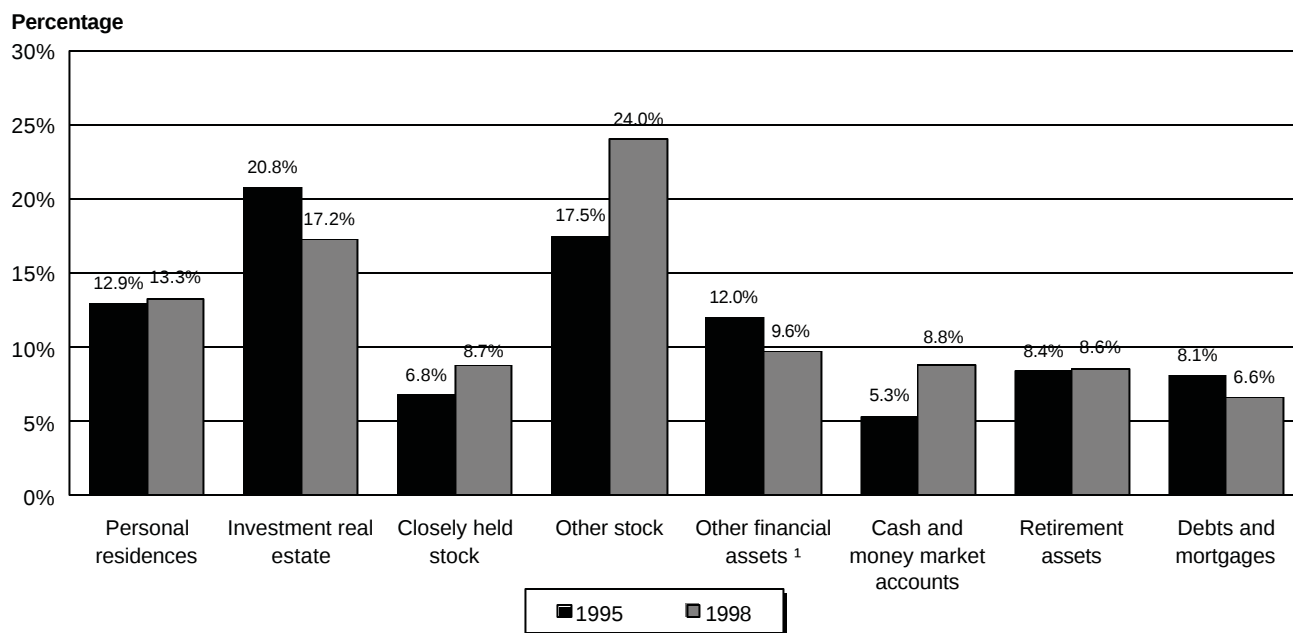


¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Personal Wealth, 1998

Figure L

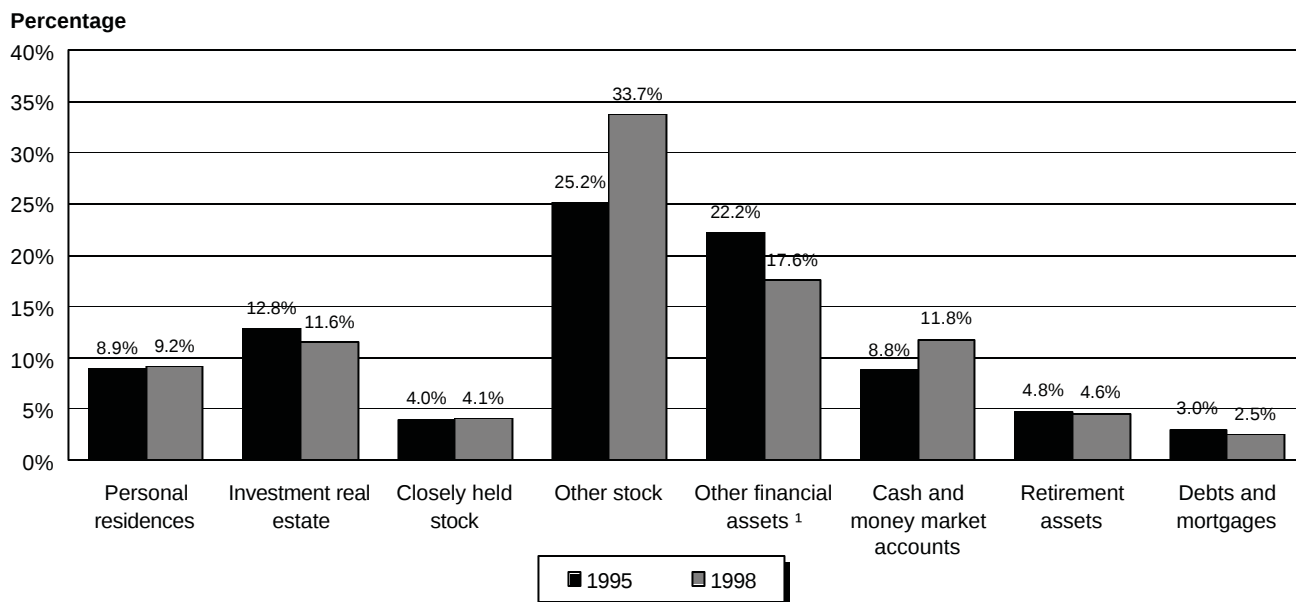
Female Top Wealth Holders Age 50 Under 65: Selected Assets and Debts as a Percentage of Total Assets, by Year



¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Figure M

Female Top Wealth Holders Age 65 and Older: Selected Assets and Debts as a Percentage of Total Assets, by Year



¹ Includes Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds.

Personal Wealth, 1998

is often a much better summary measure than the average since the median is less affected by large outliers in a population. For young, wealthy males, the median net worth was \$654,800. Figure N shows that, while the median value of net worth was higher for males age 50 and older, the median was about the same for men in each of the over 50 age groups depicted in the graph, approximately \$1.0 million.

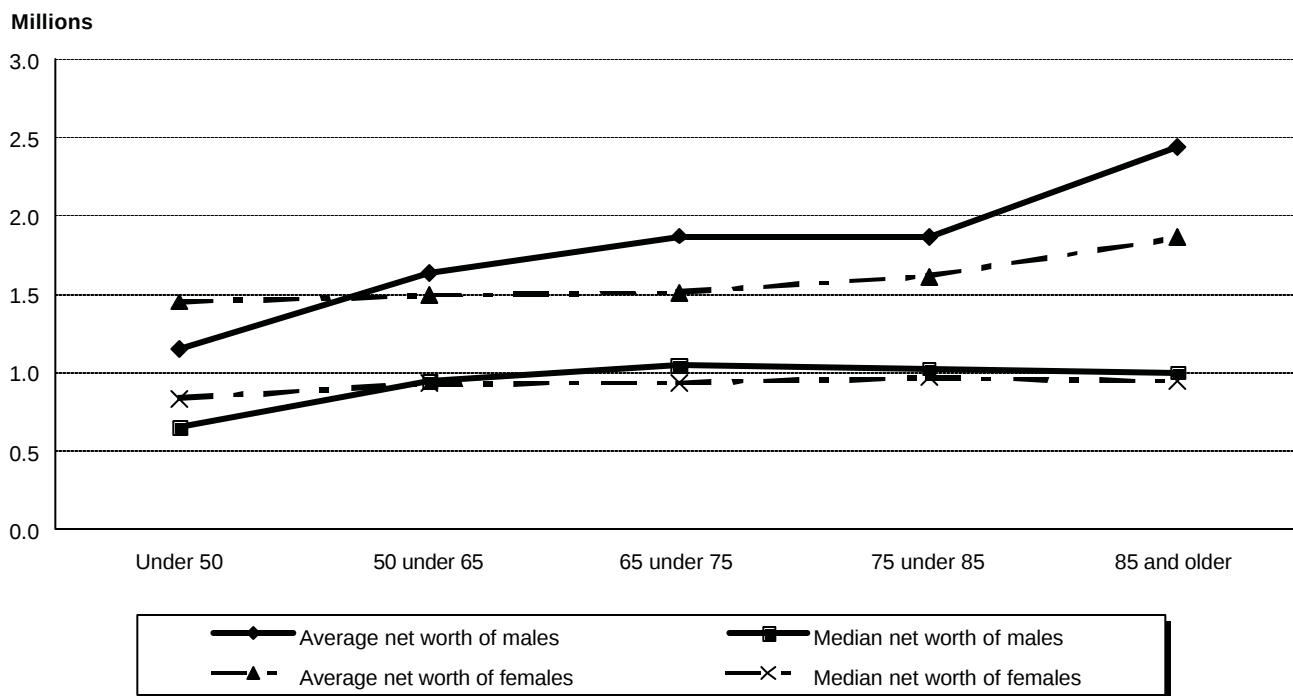
The average net worth for females under the age of 50 was almost \$1.5 million, higher than that of males in the same age group. Unlike their male counterparts, however, the average was nearly the same for females in both the 50 under 65 and 65 under 75 age groups. For women over age 75, average net worth was higher, more than \$1.6 million for women in the 75 under 85 age group and almost \$1.9 million for women age 85 and older. The median value of net worth for women, however, was almost the same for all age groups. For women under the age of 50, the median was \$835,400. For all other age groups, the median was approximately \$950,000.

StateData

Figure O details the States with the largest numbers of resident millionaires [11]. California, the most populous State in America in 1998, had the largest number of residents with a net worth of \$1 million or more, 412,000 millionaires [12]. New York and Florida had the second and third largest number of resident millionaires, 243,000 and 206,000, respectively. Overall, the number of millionaires in most States in 1998 was almost double that recorded in 1995, despite substantially smaller changes in the overall adult population and in inflation, which was only about 7.0 percent for the 3-year period [13]. For example, the number of California residents with a net worth of \$1 million or more increased 80.7 percent, having numbered 228,000 in 1995, while the State adult population increased by 4.2 percent between 1995 and 1998. Similarly, the number of resident millionaires in Texas grew dramatically from 76,000 in 1995 to 157,000 in 1998 despite an increase in the State adult population of only 6.1 percent. Massachusetts' adult population increased by only

Figure N

All Top Wealth Holders: Average and Median Net Worth, by Sex and Age, 1998



Personal Wealth, 1998

Figure O

States with the Largest Number or Highest Concentration of Resident Millionaires, 1998 ¹

[Numbers are in thousands]

State	Number of millionaires	Total State population	Millionaires as a percentage of State population
	(1)	(2)	(3)
California.....	412	23,756	1.7
New York.....	243	13,673	1.8
Florida.....	206	11,376	1.8
Texas.....	156	14,131	1.1
Illinois.....	146	8,857	1.6
Pennsylvania.....	122	9,141	1.3
New Jersey.....	116	6,125	1.9
Ohio.....	85	8,365	1.0
Massachusetts.....	81	4,690	1.7
Connecticut.....	65	2,484	2.6
Colorado.....	56	2,930	1.9
District of Columbia.....	8	420	1.9

¹ Millionaires are defined as individuals with net worth of \$1 million or more.

1.0 percent from 1995 to 1998; yet the number of residents with \$1 million or more of net worth increased by 125.0 percent.

Looking at the number of millionaires on a per capita basis, that is, the number of millionaires per thousand residents, eliminates the distortions caused

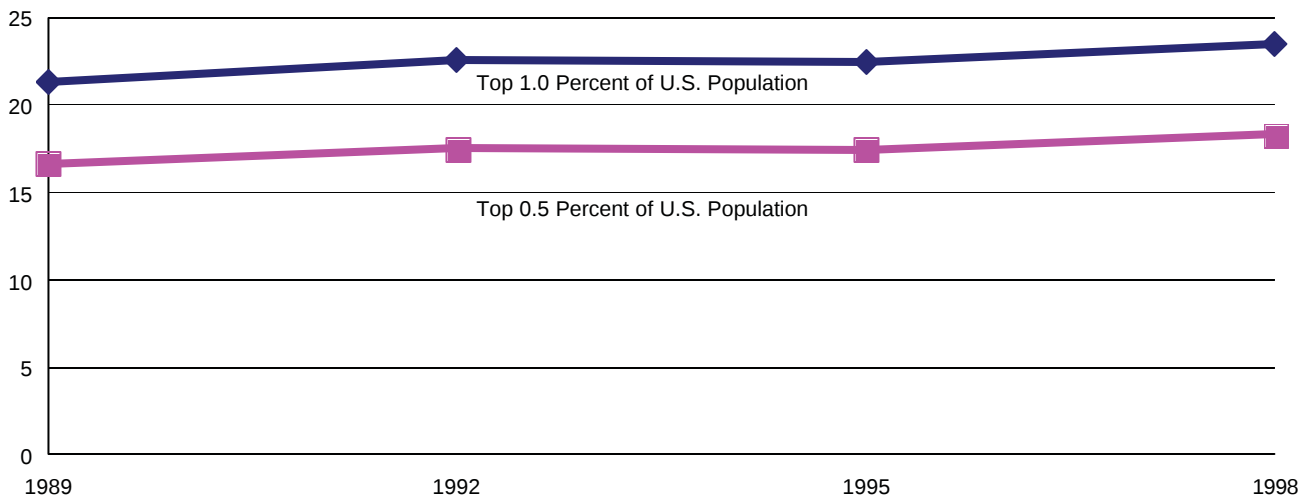
by the large adult populations in some States and, thereby, presents a somewhat different picture of the geographic distribution of wealth in the United States. Connecticut, ranked the 27th largest state by size of population, had the greatest concentration of millionaires, with more than 2.6 percent of the residents having \$1 million or more in net worth. With an approximate population of 2.9 million and 56,000 residents with a net worth of \$1 million or more, Colorado had the second highest density of millionaires, 1.9 percent. The District of Columbia, with a population of 420,000, was ranked third with about 1,900 millionaires per 100,000 residents. The States with the largest number of millionaires--Florida, New York, and California--were fifth, seventh, and eighth, respectively, in the per capita ranking.

Concentration Estimates

The distribution of wealth in the United States is highly skewed, with a relatively small group of individuals owning a large percentage of the total net worth. Longitudinal changes in distribution of wealth in the U.S. can be observed by examining the share of U.S. wealth, measured in terms of net worth, held by a constant percentage of the population. Figure P reports the percentages of total U.S. wealth held by

Figure P

Percentage of Total U.S. Net Worth Held by the Top 1.0 Percent and Top 0.5 Percent of the U.S. Population, 1989-1998



Personal Wealth, 1998

the top 1.0 percent and the top 0.5 percent of the population, 1989-1998 [14, 15]. In 1998, 1.0 percent of the U.S. adult population corresponded with 1.9 million individuals. These individuals owned approximately 23.5 percent of total U.S. individual wealth, a 1.0-percent increase over the share owned by this subpopulation in 1995 and a 2.0-percent increase since 1989, when the top 1.0 percent of the population owned more than 21.3 percent of U.S. wealth. A similar pattern was evident in the share of wealth held by the 963,000 individuals who made up the top 0.5 percent of the U.S. adult population in 1998. They held about 18.3 percent of the Nation's net worth in 1998, up from about 17.4 percent in 1995 and 16.6 percent in 1989. These slight changes in the concentration may indicate that the real wealth of the Nation's top wealth holders grew at a slightly higher rate than that of the overall adult population. However, the sampling error associated with these estimates is large, meaning that most of the inter-period differences may not be statistically significant.

Summary

There were more than 6.5 million individuals in the United States with gross assets of \$625,000 or more in 1998. These individuals represented about 3.4 percent of the total U.S. adult population. As a group, top wealth holders owned more than \$11.1 trillion in total assets, or 32.6 percent of total U.S. personal asset holdings. Almost 4.0 million, or 61.2 percent, of these wealthy individuals were male, and 2.5 million were female. This strongly contrasted with the gender distribution of the total U.S. population in 1998, which contained only 48.0 percent men. Male top wealth holders were more likely to be married than men in the overall U.S. population, while the opposite was true for female top wealth holders, who were less likely to be married than their counterparts in the U.S. population.

Both the age and relative wealth of top wealth holders impacted the composition of their portfolios. Women's portfolios contained a greater proportion of stock in public corporations than those of men. The value of the personal residence and investments in closely held corporations made up smaller percentages in the portfolios of older top wealth holders than in portfolios held by younger individuals in the same wealth classes. Individuals with \$1 million or less in

net worth devoted a larger percentage of their portfolio to personal residences, investment real estate, and retirement assets than those in higher net worth groups. Top wealth holders with more than \$10 million in net worth dedicated more of their portfolio to closely held stock in 1998 than less wealthy investors. Overall, 1998 top wealth holders invested in more publicly traded stock and cash and money market accounts than similar individuals in 1995, and they invested less in other financial assets (including Federal, corporate, and tax-exempt bonds, as well as mixed portfolio mutual funds) and investment real estate.

There was a significant increase in the number of U.S. citizens with net worth of \$1.0 million or more between 1995 and 1998. Overall, the number of millionaires per State in 1998 was almost double that recorded in 1995 despite substantially smaller changes in State adult populations and low inflation over the 3-year period. California remained the State with the largest number of millionaires, while Connecticut was the State with the greatest per capita concentration of millionaires. Estimates of the amount of wealth held by the top 1.0 percent and 0.5 percent of the U.S. population suggest that the percentage of overall U.S. wealth held by these groups increased slightly between 1995 and 1998.

Appendix: The Estate Multiplier Technique

The estate multiplier technique assumes that estate tax returns, taken as a whole, represent a random sample of the living wealthy population and thus provide a means of producing reasonable estimates of personal wealth. The multiplier is equivalent to a sampling weight where the probabilities of selection include the probability of being a decedent and also that of being included in the Statistics of Income sample of estate tax returns. The more difficult computation is determining the probability of being a decedent. Mortality rates for the general population, by age and sex, available from the National Center for Health Statistics, provide the basis for the estimates. However, there is much evidence that the wealthy have mortality rates significantly lower than those of the entire population. The following sections describe the sampling criteria used to select the underlying estate tax returns, as well as efforts to develop mortality rates appropriate for this elite segment of the population.

Personal Wealth, 1998

Estate Tax Return Sample Design

The Statistics of Income Division collects data from an annual sample of Federal estate tax returns that are used primarily for policy and budget purposes. The sample follows a 3-year cycle that is designed mainly to accommodate year-of-death estimates, with each study concentrating on decedents who died in the first year, the focus year, of the 3-year cycle. The annual samples are also adequate for producing filing-year estimates. Year-of-death estimates are desirable, because filing extensions and other filing delays mean that returns filed in any given calendar year may represent decedents who died in many different years. Thus, estate tax return data for a single filing year may reflect different economic and tax law conditions. By concentrating on a single year of death, these limitations can be overcome, making it possible to study the data in the context of a single time period.

Returns are selected using a stratified random sample with three stratifying variables. Since 1982, the stratifying variables have been year of death (focus year versus non-focus years), total gross estate, and age at death. Gross estate is divided into five categories: \$625,000 under \$1 million, \$1 million under \$2.5 million, \$2.5 million under \$5 million, \$5 million under \$10 million, and \$10 million or more. Age at death is divided into five categories: under 40, 40 under 50, 50 under 65, 65 under 75, and 75 and older. Sample rates vary from 3 percent to 100 percent, with over half the strata selected with certainty, i.e., at the 100-percent rate.

SOI has combined Federal estate tax returns filed over 3-year periods to produce the estimates of wealth for 1998 presented here. One of the strengths of the estate multiplier technique is the large sample on which the estimates are based. The 1998 sample includes more than 26,000 returns [16].

Mortality Differentials

Research has proven that individuals who are economically or socially better off generally live longer and are healthier than individuals in the general population. Therefore, it is important to determine a mortality rate appropriate to the wealthy decedents in the estate tax return sample. If mortality and wealth are correlated, then biased estimates will result using mortality rates unadjusted for wealth level. Evidence suggests that there is an inverse relationship between

these factors, meaning that unadjusted multipliers would be too low and, thus, undervalue wealth [17].

There have been a considerable number of attempts to quantify differences between the mortality of the general population and that of the very wealthy, looking at factors such as education, income, and occupation. For the data presented in this article, the National Longitudinal Mortality Study (NLMS), produced by the National Institutes of Health, was used to estimate the magnitude of this difference, hereafter called the “mortality differential” [18]. The NLMS is a random sample of 1.3 million Americans of all ages, races, and sexes, in the civilian, non-institutionalized population. The sample was drawn mainly from the Census Bureau’s Current Population Survey. Interviews, done by telephone, achieved a 96-percent response rate. Respondents were at least 14 years of age.

Because the NLMS did not contain information on a respondent’s wealth, income and occupation were used to identify survey respondents with characteristics similar to estate tax decedents. Mortality rates, by age and sex, were calculated for NLMS decedents whose incomes and occupations were similar to the incomes and occupations of estate tax decedents. Mortality rates, by age and sex, were also calculated for all individuals in the NLMS sample. A simple ratio of these two rates was used to construct mortality differentials. National mortality rates, published by the National Center for Health Statistics, were then multiplied by the differentials to obtain mortality rates appropriate for wealthy decedents [19].

The differences between the mortality rates of the general population and those of individuals with characteristics similar to the estate tax decedent population, captured in the magnitude of the mortality rate differentials, were most pronounced for young decedents; these differences disappeared entirely by age 85. For example, the mortality rate for a wealthy male under the age of 40 was about half that of a male in the general population. However, for males over 85 years of age, the mortality rates were the same for both groups. Wealth seems to have had a much smaller effect on the mortality rates of females in the NLMS sample than it had on the mortality of males in that sample. The mortality rate for wealthy females under age 40 was approximately 89.0 percent of that for females in the general population.

Personal Wealth, 1998

For females over 85 years of age, the mortality rates were the same for both groups.

Multipliers

The multipliers (or sample weights) were calculated as follows:

MULT = $1 / (p \cdot r \cdot d)$ where:

p = probability of selection to the estate tax sample,

r = mortality rate,

d = rate differential.

The multipliers ranged from 2 to 18,000, with an average of about 250. Some additional smoothing of the multipliers was employed to constrain both tails of the net worth distribution [20].

Notes and References

- [1] See Menchik, Paul (1991), "Economic Status as a Determinant of Mortality Among Nonwhite and White Older Males: or, Does Poverty Kill?," Institute for Research on Poverty, Discussion Paper Number 93891.
- [2] Scheuren, Fritz (1994), "Historical Perspectives on IRS Wealth Estimates With a View to Improvements," *Compendium of Federal Estate Tax Data and Personal Wealth Studies*, Department of the Treasury, IRS Publication 1773, p. 358.
- [3] Eller, Martha Britton (2001), "Audit Revaluation of Federal Estate Tax Returns," *Internal Revenue Service Statistics of Income Bulletin*, Winter 2000-2001, Washington, DC.
- [4] Wherever possible, the value of minority discounts was added back to the individual asset values used in these estimates. However, inconsistencies in the way that these discounts are reported on Form 706 limit SOI's ability to collect these data. Therefore, it is likely that the estimates presented here are still somewhat undervalued.
- [5] Estimates of the equity value of life insurance included in total assets were approximated, based on the face value reported on Federal estate tax returns and on the decedent's age. A ratio of the equity value to the face value was developed, using data from wealthy respondents to the 1989, 1992, and 1995 Board of Governors of the Federal Reserve System's Surveys of Consumer Finances (SCF). A simple regression was used to predict the values used in the Statistics of Income estimates. The same set of ratios was used for both males and females, due to a lack of sex-specific data in the SCF.
- [6] Estimates of both the total assets and net worth of the United States are from household estimates derived from the Board of Governors of the Federal Reserve System's Survey of Consumer Finances (SCF), found in Kennickell, Arthur, B. (2000), "An Examination of Changes in the Distribution of Wealth from 1989 to 1998: Evidence from the Survey of Consumer Finances," Board of Governors of the Federal Reserve System working paper, p. 19.
- [7] Marital status estimates for the general population, by sex, were obtained from the U.S. Census Bureau, *Current Population Reports*, pp. 20-514.
- [8] Estimates of personal wealth for 1995 can be found in Johnson, Barry W., "Personal Wealth 1995," *Internal Revenue Service Statistics of Income Bulletin*, Winter 1999-2000, Washington, DC pp. 59-84.
- [9] Closely held stock is stock in a corporation that is not publicly traded, usually that of a small, family-owned corporation.
- [10] See Modigliani, Franko (1986), "Life Cycle, Individual Thrift, and the Wealth of Nations," *American Economic Review*, Vol. 68, pp. 547-560.
- [11] While the size of the underlying sample of estate tax returns makes estimates of wealth, derived using the estate multiplier technique, fairly robust, estimates of wealth by State can be subject to significant year-to-year fluctuations for States with relatively small decedent populations. This is especially true for individuals at the extreme tail of the net worth distribution. For this reason, Table 6 is limited to individuals with net worth of \$20 million or less.
- [12] U.S. population data obtained from the U.S. Bureau of the Census (1999), "Population Estimates for the U.S., Regions, Divisions, and

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States by 5-year Age Groups and Sex: Annual Time Series Estimates, July 1, 1990 to July 1, 1998.”

- [13] Consumer Price Index (2002), U.S. City Average for All Items, U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.
- [14] Estimates of the U.S. adult population obtained from U.S. Bureau of the Census, press release CB96-88, also published in U.S. Bureau of the Census, *Statistical Abstract of the United States: 2000 (120th) edition*, Washington, DC, Table 13.
- [15] For estimates of U.S. net worth for 1989, 1992, 1995 and 1998, see Kennickell, Arthur, B., pp. 16-19.
- [16] Although the overall sample of estate tax returns is large, the number of decedents who were young (less than 40) or extremely wealthy (gross assets of \$5 million or more) in any given year varies considerably and is small in comparison to their number in the living population. Because of this, the resulting estimates of wealth for these two categories of living individuals would be subject to significant fluctuations from period to period. To reduce this variance, the sample is “smoothed” by including *all* returns for young or wealthy decedents filed during the 3-year sample period without regard to the decedent's year of death.

These segments of the sample are then post-stratified and reweighted to represent the true decedent population for the year of interest. This technique reduces the effect of outliers on estimates of personal wealth.

- [17] Smith, James (1994), “Estimating the Wealth of Top Wealth-Holders from Estate Tax Returns,” *Compendium of Federal Estate Tax Data and Personal Wealth Studies*, Department of Treasury, IRS Publication 1773, p. 336.
- [18] A more detailed description of this study is found in *A Mortality Study of 1.3. Million Persons by Demographic, Social, and Economic Factors: 1979-1985 Follow-up 1992 (1992)*, U.S. National Longitudinal Mortality Study, National Institutes of Health, National Heart, Lung, and Blood Institute, NIH Publication Number 92-3297.
- [19] Mortality data for 1998 were obtained from the National Center for Health Statistics, Division of Vital Statistics as reported in the *National Vital Statistics Reports*, Volume 48, Number 11, July 24, 2000.
- [20] For a more complete methodological discussion, see Johnson, Barry W., “Updating Techniques for Estimating Wealth from Federal Estate Tax Returns,” *1997 Proceedings of the American Statistical Association, Section on Business and Economic Statistics*.

SOURCE: IRS, Statistics of Income Bulletin, Winter 2002-2003, Publication 1136 (Rev. 4-2003).

Personal Wealth, 1998

Table 1.--Personal Wealth, 1998: Type of Property by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	6,530	11,142,788	5,020	957,211	6,530	10,185,577	4,771	1,080,043
Size of net worth:								
Negative net worth.....	39	36,353	39	90,087	39	-53,734	22	4,932
\$1 under \$600,000.....	1,253	671,387	1,105	195,383	1,253	476,004	964	158,492
\$600,000 under \$1,000,000.....	2,494	2,110,572	1,784	172,173	2,494	1,938,399	1,764	319,302
\$1,000,000 under \$2,500,000.....	2,058	3,289,005	1,529	222,324	2,058	3,066,681	1,508	351,952
\$2,500,000 under \$5,000,000.....	440	1,569,754	357	89,762	440	1,479,991	325	119,490
\$5,000,000 under \$10,000,000.....	166	1,196,100	138	70,470	166	1,125,630	126	65,479
\$10,000,000 under \$20,000,000.....	51	742,956	42	39,731	51	703,225	38	31,886
\$20,000,000 or more.....	29	1,526,661	25	77,280	29	1,449,381	23	28,510
Size of net worth	Investment real estate		Closely held stock		Other stocks		State and local bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	3,843	1,531,767	1,287	1,325,080	4,854	2,709,434	2,073	633,108
Size of net worth:								
Negative net worth.....	24	15,059	8	3,087	13	1,120	--	--
\$1 under \$600,000.....	578	116,607	200	31,493	748	68,421	102	3,178
\$600,000 under \$1,000,000.....	1,396	311,718	316	79,012	1,847	419,137	760	85,986
\$1,000,000 under \$2,500,000.....	1,331	484,712	472	236,900	1,650	785,808	843	176,180
\$2,500,000 under \$5,000,000.....	325	231,284	167	182,806	377	420,944	225	110,273
\$5,000,000 under \$10,000,000.....	122	152,351	78	198,902	147	350,633	95	92,840
\$10,000,000 under \$20,000,000.....	40	85,883	27	138,892	44	213,119	30	64,786
\$20,000,000 or more.....	25	134,154	20	453,989	27	450,253	18	99,866
Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	849	24,946	1,338	239,307	1,152	96,055	538	39,532
Size of net worth:								
Negative net worth.....	2	4	1	12	2	4	--	--
\$1 under \$600,000.....	139	832	75	3,149	69	1,191	47	2,112
\$600,000 under \$1,000,000.....	363	10,093	544	52,696	462	23,382	224	11,705
\$1,000,000 under \$2,500,000.....	275	11,103	523	78,804	461	35,526	208	16,218
\$2,500,000 under \$5,000,000.....	49	2,186	126	37,153	100	12,031	38	4,342
\$5,000,000 under \$10,000,000.....	15	502	47	27,941	36	6,636	15	3,712
\$10,000,000 under \$20,000,000.....	4	139	15	12,102	13	6,515	3	609
\$20,000,000 or more.....	2	86	8	27,451	9	10,772	2	835

Personal Wealth, 1998

Table 1.--Personal Wealth, 1998: Type of Property by Size of Net Worth--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Unclassifiable mutual funds		Cash and money market accounts		Mortgages and notes		Cash value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	1,659	111,718	6,365	1,014,273	1,396	291,600	4,573	221,118
Size of net worth:								
Negative net worth.....	2	26	29	1,084	5	1,188	35	3,342
\$1 under \$600,000.....	249	7,707	1,200	51,733	163	10,571	1,187	65,416
\$600,000 under \$1,000,000.....	657	36,754	2,438	274,069	464	58,968	1,620	51,804
\$1,000,000 under \$2,500,000.....	571	38,373	2,020	347,609	497	88,437	1,315	63,233
\$2,500,000 under \$5,000,000.....	121	12,101	435	123,887	156	47,906	274	21,965
\$5,000,000 under \$10,000,000.....	41	6,122	164	87,397	70	29,547	97	9,309
\$10,000,000 under \$20,000,000.....	11	3,251	50	42,049	23	19,201	27	3,094
\$20,000,000 or more.....	7	7,384	29	86,446	18	35,783	19	2,954
Size of net worth	Noncorporate business assets		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	1,148	264,256	805	232,879	3,857	1,017,641	5,782	310,035
Size of net worth:								
Negative net worth.....	11	2,699	1	958	9	1,436	34	1,403
\$1 under \$600,000.....	209	22,014	50	2,864	836	95,343	1,119	30,267
\$600,000 under \$1,000,000.....	351	43,097	230	10,726	1,410	259,392	2,155	62,733
\$1,000,000 under \$2,500,000.....	386	76,596	331	30,973	1,194	381,213	1,840	85,369
\$2,500,000 under \$5,000,000.....	110	38,424	105	29,066	262	137,971	404	37,926
\$5,000,000 under \$10,000,000.....	50	31,129	49	23,932	96	77,434	152	32,234
\$10,000,000 under \$20,000,000.....	18	25,786	23	46,758	32	33,523	49	15,363
\$20,000,000 or more.....	14	24,511	16	87,602	19	31,329	27	44,738

Personal Wealth, 1998

Table 2.-- Personal Wealth, 1998: Male Top Wealthholders, Type of Property, by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	3,997	6,955,881	3,115	720,436	3,997	6,235,446	2,894	607,398
Size of net worth:								
Negative net worth.....	36	33,841	36	84,915	36	-51,073	20	4,389
\$1 under \$600,000.....	971	516,466	856	154,914	971	361,552	741	117,785
\$600,000 under \$1,000,000.....	1,329	1,143,758	964	113,178	1,329	1,030,580	939	150,338
\$1,000,000 under \$2,500,000.....	1,236	1,993,000	911	154,675	1,236	1,838,325	881	192,275
\$2,500,000 under \$5,000,000.....	271	985,704	216	64,319	271	921,385	199	68,364
\$5,000,000 under \$10,000,000.....	101	738,746	86	51,218	101	687,528	76	35,393
\$10,000,000 under \$20,000,000.....	33	479,531	27	30,871	33	448,659	24	18,277
\$20,000,000 or more.....	20	1,064,835	18	66,346	20	998,488	15	20,578

Size of net worth	Investment real estate		Closely held stock		Other stocks		State and local bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	2,389	995,780	966	996,910	2,898	1,508,805	1,040	312,995
Size of net worth:								
Negative net worth.....	22	14,355	7	3,070	13	1,120	--	--
\$1 under \$600,000.....	448	91,300	167	25,139	569	49,659	63	1,936
\$600,000 under \$1,000,000.....	780	186,228	232	60,326	984	217,607	332	33,373
\$1,000,000 under \$2,500,000.....	814	297,686	348	181,930	969	430,310	438	77,858
\$2,500,000 under \$5,000,000.....	203	146,622	122	140,297	227	229,542	123	49,784
\$5,000,000 under \$10,000,000.....	76	102,395	55	139,972	89	180,771	53	43,925
\$10,000,000 under \$20,000,000.....	28	62,574	20	105,935	29	122,404	19	42,831
\$20,000,000 or more.....	18	94,619	15	340,240	19	277,394	12	63,288

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	494	12,396	667	127,689	618	55,836	293	24,476
Size of net worth:								
Negative net worth.....	2	4	--	--	2	4	--	--
\$1 under \$600,000.....	100	499	53	2,493	46	807	28	1,311
\$600,000 under \$1,000,000.....	191	4,894	228	16,601	211	10,252	111	6,261
\$1,000,000 under \$2,500,000.....	159	5,219	277	41,696	259	19,506	117	9,388
\$2,500,000 under \$5,000,000.....	27	1,270	70	21,708	63	7,895	24	3,355
\$5,000,000 under \$10,000,000.....	10	344	25	18,808	23	3,963	9	3,094
\$10,000,000 under \$20,000,000.....	3	105	10	7,404	9	5,050	2	445
\$20,000,000 or more.....	1	59	4	18,980	6	8,360	1	622

Personal Wealth, 1998

**Table 2.-- Personal Wealth, 1998: Male Top Wealthholders, Type of Property, by Size of Net Worth
--Continued**

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Unclassifiable mutual funds		Cash and money market accounts		Mortgages and notes		Cash value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	991	68,440	3,881	595,195	883	188,439	3,242	188,042
Size of net worth:								
Negative net worth.....	1	1	26	1,069	5	1,188	33	3,180
\$1 under \$600,000.....	182	4,874	926	37,837	123	7,274	931	54,200
\$600,000 under \$1,000,000.....	347	18,571	1,301	131,364	259	30,478	1,030	41,695
\$1,000,000 under \$2,500,000.....	342	23,592	1,209	199,775	319	57,416	934	54,844
\$2,500,000 under \$5,000,000.....	80	8,886	267	78,411	101	26,633	205	20,093
\$5,000,000 under \$10,000,000.....	26	4,167	100	52,975	46	22,445	73	8,620
\$10,000,000 under \$20,000,000.....	8	1,417	32	28,037	16	14,473	21	2,710
\$20,000,000 or more.....	5	6,931	20	65,727	13	28,533	15	2,701

Size of net worth	Noncorporate business assets		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	842	191,560	481	149,237	2,508	737,654	3,562	195,032
Size of net worth:								
Negative net worth.....	11	2,699	1	583	8	857	31	1,322
\$1 under \$600,000.....	184	19,692	34	2,201	639	75,913	870	23,545
\$600,000 under \$1,000,000.....	243	32,593	122	4,999	803	162,356	1,167	35,822
\$1,000,000 under \$2,500,000.....	271	56,114	197	18,222	773	272,199	1,107	54,973
\$2,500,000 under \$5,000,000.....	76	28,578	69	21,014	182	111,220	245	22,034
\$5,000,000 under \$10,000,000.....	34	21,343	33	14,625	68	64,866	92	21,040
\$10,000,000 under \$20,000,000.....	13	9,807	15	21,586	22	28,499	31	7,977
\$20,000,000 or more.....	11	20,733	12	66,006	14	21,743	19	28,320

Personal Wealth, 1998

Table 3.--Personal Wealth, 1998: Female Top Wealthholders, Type of Property, by Size of Net Worth*[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]*

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	2,533	4,186,907	1,905	236,775	2,533	3,950,132	1,876	472,645
Size of net worth:								
Negative net worth.....	3	2,512	3	5,172	3	-2,661	3	543
\$1 under \$600,000.....	282	154,921	249	40,469	282	114,452	224	40,706
\$600,000 under \$1,000,000.....	1,165	966,814	820	58,995	1,165	907,818	825	168,965
\$1,000,000 under \$2,500,000.....	822	1,296,005	618	67,649	822	1,228,355	627	159,677
\$2,500,000 under \$5,000,000.....	169	584,050	141	25,443	169	558,606	126	51,126
\$5,000,000 under \$10,000,000.....	65	457,354	52	19,252	65	438,102	50	30,086
\$10,000,000 under \$20,000,000.....	18	263,425	15	8,859	18	254,566	14	13,609
\$20,000,000 or more.....	9	461,826	7	10,934	9	450,892	8	7,932

Size of net worth	Investment real estate		Closely held stock		Other stocks		State and local bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,453	535,986	321	328,170	1,955	1,200,629	1,033	320,113
Size of net worth:								
Negative net worth.....	2	703	1	17	1	1	--	--
\$1 under \$600,000.....	130	25,307	33	6,353	179	18,763	39	1,241
\$600,000 under \$1,000,000.....	616	125,490	85	18,686	863	201,530	427	52,614
\$1,000,000 under \$2,500,000.....	518	187,026	124	54,970	681	355,498	406	98,322
\$2,500,000 under \$5,000,000.....	121	84,662	45	42,509	149	191,402	102	60,488
\$5,000,000 under \$10,000,000.....	46	49,956	23	58,930	58	169,862	42	48,915
\$10,000,000 under \$20,000,000.....	13	23,308	7	32,957	15	90,715	11	21,955
\$20,000,000 or more.....	7	39,535	5	113,749	8	172,859	6	36,578

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	356	12,550	671	111,617	533	40,220	245	15,057
Size of net worth:								
Negative net worth.....	--	--	1	12	--	--	--	--
\$1 under \$600,000.....	39	333	22	656	24	383	19	801
\$600,000 under \$1,000,000.....	172	5,199	316	36,095	251	13,130	113	5,443
\$1,000,000 under \$2,500,000.....	115	5,884	246	37,108	202	16,021	91	6,831
\$2,500,000 under \$5,000,000.....	22	916	56	15,445	37	4,137	14	987
\$5,000,000 under \$10,000,000.....	5	158	22	9,133	13	2,673	6	618
\$10,000,000 under \$20,000,000.....	1	34	6	4,698	5	1,465	1	165
\$20,000,000 or more.....	1	27	3	8,471	2	2,411	1	213

Personal Wealth, 1998

**Table 3.--Personal Wealth, 1998: Female Top Wealthholders, Type of Property, by Size of Net Worth
--Continued**

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Unclassifiable mutual funds		Cash and money market accounts		Mortgages and notes		Cash value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	668	43,278	2,485	419,078	513	103,161	1,331	33,076
Size of net worth:								
Negative net worth.....	1	24	2	15	1	1	2	163
\$1 under \$600,000.....	66	2,833	273	13,896	40	3,297	256	11,216
\$600,000 under \$1,000,000.....	311	18,183	1,138	142,705	204	28,490	590	10,109
\$1,000,000 under \$2,500,000.....	229	14,781	811	147,834	178	31,021	381	8,389
\$2,500,000 under \$5,000,000.....	41	3,216	168	45,475	55	21,273	68	1,873
\$5,000,000 under \$10,000,000.....	14	1,955	64	34,422	24	7,102	24	689
\$10,000,000 under \$20,000,000.....	4	1,834	18	14,012	6	4,728	6	384
\$20,000,000 or more.....	2	452	9	20,719	5	7,251	4	253

Size of net worth	Noncorporate business assets		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	306	72,696	324	83,642	1,349	279,987	2,220	115,003
Size of net worth:								
Negative net worth.....	--	--	--	375	2	579	3	82
\$1 under \$600,000.....	25	2,322	16	662	197	19,430	249	6,723
\$600,000 under \$1,000,000.....	109	10,503	108	5,727	607	97,036	989	26,911
\$1,000,000 under \$2,500,000.....	115	20,482	134	12,751	421	109,014	733	30,397
\$2,500,000 under \$5,000,000.....	34	9,846	36	8,052	80	26,751	159	15,893
\$5,000,000 under \$10,000,000.....	16	9,786	16	9,308	28	12,568	60	11,194
\$10,000,000 under \$20,000,000.....	5	15,980	8	25,172	9	5,023	18	7,386
\$20,000,000 or more.....	3	3,777	5	21,596	5	9,586	9	16,418

Personal Wealth, 1998

Table 4.--Male Top Wealthholders, 1998: Type of Property, by Age

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	3,997	6,955,881	3,115	720,436	3,997	6,235,446	2,894	607,398
Age								
Under 50.....	1,582	2,223,439	1,357	344,444	1,582	1,878,995	1,100	230,423
50 under 65.....	1,408	2,667,849	1,122	292,202	1,408	2,375,647	1,094	233,613
65 under 75.....	638	1,284,573	415	65,370	638	1,219,203	467	97,484
75 under 85.....	262	508,571	154	13,693	262	494,878	176	34,513
85 and older.....	107	271,449	68	4,727	107	266,723	57	11,365
Age	Investment real estate		Closely held stock		Other stocks		State and local bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	2,389	995,780	966	996,910	2,898	1,508,805	1,040	312,995
Age								
Under 50.....	778	290,928	414	389,605	1,064	435,275	255	76,328
50 under 65.....	953	426,395	379	393,157	1,035	516,884	315	72,925
65 under 75.....	440	189,586	132	140,133	497	308,455	260	73,197
75 under 85.....	166	64,214	32	35,230	215	155,197	145	57,251
85 and older.....	52	24,658	8	38,785	87	92,995	65	33,294
Age	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	494	12,396	667	127,689	618	55,836	293	24,476
Age								
Under 50.....	149	1,538	168	37,774	144	10,404	82	8,456
50 under 65.....	185	3,088	213	32,184	216	20,030	113	8,030
65 under 75.....	99	4,431	164	31,059	159	14,239	57	4,749
75 under 85.....	43	2,126	85	15,582	72	6,487	31	2,266
85 and older.....	17	1,213	37	11,091	28	4,676	10	975

Personal Wealth, 1998

Table 4.--Male Top Wealthholders, 1998: Type of Property, by Age--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Unclassifiable mutual funds		Cash and money market accounts		Mortgages and notes		Cash value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	991	68,440	3,881	595,195	883	188,439	3,242	188,042
Age								
Under 50.....	326	21,868	1,513	188,396	295	66,311	1,302	69,436
50 under 65.....	385	26,524	1,375	203,772	325	68,140	1,203	87,973
65 under 75.....	190	13,812	628	120,115	181	38,544	484	22,536
75 under 85.....	68	4,739	258	56,178	62	11,395	191	6,430
85 and older.....	22	1,497	106	26,733	19	4,049	63	1,667

Age	Noncorporate business assets		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	842	191,560	481	149,237	2,508	737,654	3,562	195,032
Age								
Under 50.....	334	76,364	126	51,909	978	201,975	1,375	66,450
50 under 65.....	329	80,254	195	60,410	980	356,532	1,296	77,938
65 under 75.....	125	25,728	103	21,884	399	146,978	574	31,645
75 under 85.....	43	7,046	45	11,699	125	28,089	230	10,129
85 and older.....	12	2,168	11	3,334	26	4,079	87	8,871

Personal Wealth, 1998

Table 5.--Female Top Wealthholders, 1998: Type of Property, by Age

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	2,533	4,186,907	1,905	236,775	2,533	3,950,132	1,876	472,645
Age								
Under 50.....	736	1,208,760	603	114,348	736	1,094,411	555	150,397
50 under 65.....	724	1,187,252	547	77,770	724	1,109,482	593	157,752
65 under 75.....	505	802,520	341	26,970	505	775,550	384	88,748
75 under 85.....	404	675,508	290	13,253	404	662,255	271	58,874
85 and older.....	164	312,866	124	4,434	164	308,433	73	16,874
Age	Investment real estate		Closely held stock		Other stocks		State and local bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,453	535,986	321	328,170	1,955	1,200,629	1,033	320,113
Age								
Under 50.....	367	124,695	127	151,352	503	312,688	184	55,523
50 under 65.....	480	204,353	118	103,551	587	284,985	266	61,123
65 under 75.....	318	108,254	49	44,566	406	229,532	261	79,500
75 under 85.....	218	74,070	20	21,114	326	233,285	230	86,066
85 and older.....	71	24,613	6	7,588	134	140,139	92	37,901
Age	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	356	12,550	671	111,617	533	40,220	245	15,057
Age								
Under 50.....	74	563	135	33,020	96	8,247	46	3,791
50 under 65.....	105	2,792	177	20,720	154	12,080	83	3,818
65 under 75.....	82	3,978	146	21,325	132	9,283	55	3,579
75 under 85.....	67	3,391	150	23,176	111	7,071	38	1,947
85 and older.....	27	1,826	63	13,376	41	3,539	22	1,921

Personal Wealth, 1998

Table 5.--Female Top Wealthholders, 1998: Type of Property, by Age--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Unclassifiable mutual funds		Cash and money market accounts		Mortgages and notes		Cash value life insurance	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	668	43,278	2,485	419,078	513	103,161	1,331	33,076
Age								
Under 50.....	180	11,609	715	103,000	149	45,395	460	13,027
50 under 65.....	219	13,974	706	104,445	135	21,674	442	12,690
65 under 75.....	144	9,144	500	87,012	121	18,089	219	3,958
75 under 85.....	93	6,226	401	85,715	85	14,271	162	2,784
85 and older.....	33	2,324	163	38,905	23	3,732	47	617
Age	Noncorporate business assets		Limited partnerships		Retirement assets		Other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	306	72,696	324	83,642	1,349	279,987	2,220	115,003
Age								
Under 50.....	105	33,668	70	31,698	445	95,963	615	34,123
50 under 65.....	102	23,602	111	23,978	469	101,498	669	34,217
65 under 75.....	52	7,280	81	13,795	264	54,452	455	20,024
75 under 85.....	34	6,038	49	10,756	145	24,040	359	16,684
85 and older.....	13	2,107	13	3,415	26	4,034	122	9,954

Personal Wealth, 1998

Table 6.--Top Wealthholders with Net Worth Under \$20,000,000 and Gross Assets of \$625,000 or More, 1998: Total and Selected Assets, Debts and Mortgages, and Net Worth, by State of Residence

[All figures are estimates based on estate tax return samples--numbers are in thousands, money amounts are in millions]

State of residence	Total assets		Debts and mortgages		Net worth	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	6,501	9,616,127	4,995	879,931	6,501	8,736,196
State of residence:						
Alabama.....	64	95,848	53	8,622	64	87,226
Alaska.....	12	16,897	9	2,148	12	14,749
Arizona.....	105	141,991	87	10,366	105	131,625
Arkansas.....	35	48,543	27	5,709	35	42,835
California.....	895	1,423,650	738	164,954	895	1,258,696
Colorado.....	120	187,246	90	20,706	120	166,540
Connecticut.....	121	197,524	99	12,721	121	184,804
Delaware.....	19	25,208	14	2,164	19	23,043
District of Columbia.....	45	55,158	42	7,831	45	47,327
Florida.....	461	746,651	332	83,340	461	663,312
Georgia.....	163	240,109	136	29,724	163	210,385
Hawaii.....	25	30,986	21	4,133	25	26,853
Idaho.....	27	37,907	22	2,429	27	35,477
Illinois.....	310	498,267	253	44,690	310	453,577
Indiana.....	91	122,264	62	8,465	91	113,799
Iowa.....	79	82,349	61	7,985	79	74,364
Kansas.....	60	79,855	43	8,906	60	70,950
Kentucky.....	56	91,964	41	6,496	56	85,468
Louisiana.....	68	98,895	58	9,419	68	89,476
Maine.....	15	23,549	10	1,411	15	22,138
Maryland.....	132	176,119	107	15,041	132	161,078
Massachusetts.....	205	281,523	167	27,115	205	254,409
Michigan.....	203	271,213	142	19,075	203	252,138
Minnesota.....	114	146,828	81	11,283	114	135,546
Mississippi.....	34	49,803	29	3,460	34	46,343
Missouri.....	111	161,460	78	12,061	111	149,399
Montana.....	23	34,958	17	4,169	23	30,789
Nebraska.....	56	66,175	38	6,220	56	59,955
Nevada.....	38	76,998	30	6,181	38	70,817
New Hampshire.....	31	44,234	24	3,657	31	40,578
New Jersey.....	264	386,032	183	23,001	264	363,031
New Mexico.....	21	38,833	19	4,006	21	34,827
New York.....	565	869,428	435	74,213	565	795,215
North Carolina.....	175	238,177	133	23,511	175	214,666
North Dakota.....	21	21,371	12	4,108	21	17,263
Ohio.....	233	313,112	150	20,403	233	292,709
Oklahoma.....	49	75,883	34	7,652	49	68,231
Oregon.....	72	106,012	53	10,645	72	95,368
Pennsylvania.....	261	393,377	199	25,584	261	367,793
Rhode Island.....	28	42,301	24	2,879	28	39,422
South Carolina.....	92	122,632	72	10,751	92	111,882
South Dakota.....	13	19,351	8	998	13	18,353
Tennessee.....	109	146,733	79	13,020	109	133,712
Texas.....	370	544,314	297	45,923	370	498,391
Utah.....	37	49,997	27	4,633	37	45,364
Vermont.....	11	17,437	9	1,139	11	16,299
Virginia.....	165	234,400	134	20,644	165	213,756
Washington.....	131	202,297	103	18,850	131	183,447
West Virginia.....	30	39,129	17	2,058	30	37,070
Wisconsin.....	110	154,240	81	11,682	110	142,558
Wyoming.....	7	13,100	5	854	7	12,246
Other areas.....	21	33,800	13	2,899	21	30,901

Personal Wealth, 1998

Table 6.--Top Wealthholders with Net Worth Under \$20,000,000 and Gross Assets of \$625,000 or More, 1998: Total and Selected Assets, Debts and Mortgages, and Net Worth, by State of Residence
--Continued

[All figures are estimates based on estate tax return samples--numbers are in thousands, money amounts are in millions]

State of residence	Real estate		Corporate stock		Cash		Total bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total.....	5,834	2,449,146	5,218	3,130,272	3,422	893,940	6,336	927,827
State of residence:								
Alabama.....	58	23,920	55	34,638	30	8,469	63	8,052
Alaska.....	10	3,960	9	5,361	3	696	12	1,315
Arizona.....	93	33,637	86	46,978	57	15,812	103	12,426
Arkansas.....	33	10,361	30	18,145	16	3,261	35	4,535
California.....	823	539,582	694	365,527	470	113,802	872	131,679
Colorado.....	108	55,855	96	56,834	50	13,892	116	12,285
Connecticut.....	105	44,983	92	68,295	64	19,687	120	19,683
Delaware.....	18	5,237	17	10,605	13	1,909	19	2,441
District of Columbia.....	43	13,697	21	11,299	35	12,726	45	10,435
Florida.....	415	154,591	385	276,053	266	94,302	441	65,772
Georgia.....	144	67,675	127	85,109	63	13,585	159	20,584
Hawaii.....	23	10,588	19	9,881	16	1,578	24	3,248
Idaho.....	26	13,277	23	11,469	11	1,983	26	2,905
Illinois.....	269	114,711	259	160,923	176	47,096	305	47,456
Indiana.....	83	29,550	69	43,095	51	11,116	88	11,556
Iowa.....	72	24,197	56	21,805	37	5,376	78	9,461
Kansas.....	55	17,475	50	27,293	27	6,398	60	6,915
Kentucky.....	53	20,785	45	39,107	25	5,859	55	7,993
Louisiana.....	59	24,866	57	26,771	37	10,326	65	12,242
Maine.....	12	4,261	13	9,535	10	2,041	14	2,077
Maryland.....	124	43,993	112	58,764	71	16,787	130	16,773
Massachusetts.....	182	83,115	154	85,687	100	27,140	200	25,765
Michigan.....	179	59,907	168	99,031	113	21,040	199	30,000
Minnesota.....	106	29,512	95	49,163	67	13,708	109	12,284
Mississippi.....	32	11,596	27	18,041	18	3,699	33	4,545
Missouri.....	97	34,739	94	60,874	60	15,639	109	14,098
Montana.....	20	11,990	17	7,825	13	2,173	23	2,713
Nebraska.....	47	15,665	44	25,834	27	4,308	56	5,824
Nevada.....	34	18,055	33	24,021	22	9,758	38	10,050
New Hampshire.....	26	9,994	25	18,245	19	4,276	30	3,007
New Jersey.....	235	76,944	226	138,510	158	41,439	259	45,047
New Mexico.....	21	9,295	18	17,794	9	1,982	21	2,499
New York.....	470	205,256	409	257,082	278	101,540	540	91,770
North Carolina.....	166	70,216	149	80,218	74	15,330	172	18,881
North Dakota.....	19	5,565	16	2,658	8	1,888	20	2,713
Ohio.....	205	62,586	194	115,195	113	26,075	227	32,501
Oklahoma.....	42	11,876	41	26,905	24	8,258	47	11,531
Oregon.....	64	27,301	57	34,568	39	9,388	70	6,974
Pennsylvania.....	224	66,713	210	132,039	164	39,807	252	37,059
Rhode Island.....	25	10,115	24	18,657	19	3,553	28	3,450
South Carolina.....	85	34,694	75	48,049	41	8,932	88	7,825
South Dakota.....	13	4,361	10	5,865	5	1,287	11	1,716
Tennessee.....	106	38,083	87	47,054	51	9,784	105	16,973
Texas.....	344	111,329	304	161,607	203	61,363	368	61,126
Utah.....	34	13,139	27	17,951	15	2,714	35	3,507
Vermont.....	10	4,078	10	8,897	4	1,345	11	1,530
Virginia.....	154	53,894	138	87,796	89	17,007	161	23,562
Washington.....	123	59,202	115	63,061	75	14,970	130	18,672
West Virginia.....	25	6,201	23	16,900	14	2,761	30	3,440
Wisconsin.....	98	34,910	92	58,753	64	11,387	108	13,238
Wyoming.....	6	2,625	6	3,763	4	1,467	7	1,099
Other areas.....	17	8,990	15	10,740	7	3,219	21	4,598

Personal Wealth, 1998

Table 7.--Top Wealthholders with Net Worth of \$1 Million or More, 1998: Total Assets, Debts and Mortgages, and Net Worth, by State of Residence

[All figures are estimates based on estate tax returns are in thousands--money amounts are in millions]

State of residence	Total assets		Debts and mortgages		Net worth	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	2,743	8,324,476	2,092	499,568	2,743	7,824,909
State of residence:						
Alabama.....	30	81,295	26	6,958	30	74,337
Alaska.....	6	12,683	4	996	6	11,686
Arizona.....	42	123,801	32	5,155	42	118,646
Arkansas.....	14	41,292	10	1,674	14	39,618
California.....	412	1,238,816	341	98,566	412	1,140,250
Colorado.....	56	150,016	42	8,173	56	141,843
Connecticut.....	65	193,805	58	10,799	65	183,006
Delaware.....	7	16,824	5	1,110	7	15,714
District of Columbia.....	8	23,874	7	2,240	8	21,635
Florida.....	206	649,441	151	34,606	206	614,835
Georgia.....	64	194,151	50	12,682	64	181,469
Hawaii.....	7	21,163	5	1,745	7	19,418
Idaho.....	10	24,964	8	952	10	24,012
Illinois.....	146	422,207	115	23,720	146	398,488
Indiana.....	35	123,224	23	4,628	35	118,596
Iowa.....	26	47,013	18	2,161	26	44,852
Kansas.....	20	56,880	13	4,512	20	52,368
Kentucky.....	24	76,780	18	3,271	24	73,509
Louisiana.....	24	74,558	20	5,296	24	69,262
Maine.....	8	19,519	6	1,010	8	18,509
Maryland.....	53	137,365	41	8,014	53	129,351
Massachusetts.....	81	219,383	69	17,263	81	202,120
Michigan.....	74	206,350	53	9,071	74	197,279
Minnesota.....	37	107,509	26	5,480	37	102,029
Mississippi.....	16	60,739	14	1,585	16	59,154
Missouri.....	50	127,135	34	5,578	50	121,557
Montana.....	10	24,577	8	2,936	10	21,641
Nebraska.....	17	41,387	10	3,045	17	38,343
Nevada.....	21	93,829	16	7,183	21	86,646
New Hampshire.....	16	37,061	11	2,243	16	34,819
New Jersey.....	116	359,094	79	21,234	116	337,860
New Mexico.....	11	85,483	9	4,017	11	81,466
New York.....	243	906,742	188	51,193	243	855,549
North Carolina.....	62	223,081	43	13,958	62	209,123
North Dakota.....	5	10,940	3	1,072	5	9,867
Ohio.....	85	236,997	58	10,742	85	226,254
Oklahoma.....	21	57,483	13	3,375	21	54,108
Oregon.....	27	74,671	21	5,286	27	69,385
Pennsylvania.....	122	320,611	93	16,640	122	303,971
Rhode Island.....	11	30,953	7	1,231	11	29,722
South Carolina.....	33	100,376	24	5,811	33	94,565
South Dakota.....	6	15,102	4	158	6	14,944
Tennessee.....	42	124,081	31	7,345	42	116,736
Texas.....	156	477,526	123	28,263	156	449,263
Utah.....	16	45,522	11	1,989	16	43,533
Vermont.....	4	13,098	4	458	4	12,641
Virginia.....	67	188,564	56	10,075	67	178,488
Washington.....	58	178,716	44	13,265	58	165,450
West Virginia.....	11	29,096	5	945	11	28,150
Wisconsin.....	48	143,773	34	7,164	48	136,609
Wyoming.....	3	15,398	2	503	3	14,895
Other areas.....	10	39,528	7	2,192	10	37,336

Personal Wealth, 2001

by Barry W. Johnson and Brian G. Raub

The distribution and composition of personal wealth in the United States are topics of great interest among researchers and policy planners. Unfortunately, these issues are difficult to research, since there are few sources of data on the wealth holdings of the general population, especially the very rich. Federal estate tax returns (Form 706) provide a unique source from which to study the nation's wealthiest individuals. The estate tax return contains a complete listing of a decedent's assets and debts, as well as a demographic profile of the decedent and information on the costs of administering the estate. A decedent's estate has up to 9 months to file an estate tax return, but use of a 6-month extension is common. It is, therefore, necessary to combine returns filed over a number of calendar years in order to capture data representative of all estate tax decedents dying in a single year.

The wealth of living individuals can be estimated from Federal estate tax return data using the estate multiplier technique. The fundamental assumption underlying this methodology is that estate tax returns filed for decedents who died in a particular year represent a random sample, designated by death, of the living population in that year. Estimates of the wealth holdings of the living population are derived by applying a multiplier, based on appropriate mortality rates, to this sample. (See the Appendix to this article for a more complete discussion of the estate multiplier technique.)

Valuation Measures

These estimates apply to individual holdings of \$675,000 or more in gross estate, the Federal estate tax filing threshold in effect for 2001 U.S. decedents. *Gross estate* is a Federal estate tax concept of wealth that does not conform to usual definitions of wealth, primarily because it includes components that are not traditionally considered part of a living individual's portfolio and because there are features of the tax code that allow certain real property to be specially valued when used in farming or running a

business. Therefore, three measures of wealth are used in this article: gross assets (or gross estate), total assets, and net worth.

Gross assets reflects the gross value of all assets owned by a decedent, including the full face value of life insurance, reduced by the value of any policy loans, but excluding any reduction for other indebtedness. This measure defines the individuals included in the top wealth holder group. *Total assets* is a lower wealth value but is still essentially a gross measure. It differs from gross assets in that the cash, or equity, value of life insurance (i.e., the value of insurance immediately before the policyholder's death) replaces the "at death" value of life insurance included in gross assets, and incorporates other adjustments to compensate for special valuation provisions in the tax code [1]. *Net worth* is total assets minus debts.

Top Wealth Holders, 2001

In 2001, there were an estimated 7.4 million adults, age 18 and older, with gross assets of \$675,000 or more (see Table 1). Combined, they owned almost \$15.2 trillion in total assets. After accounting for over \$1.3 trillion in debts and mortgages, this group had a total net worth of \$13.8 trillion. Although these top wealth holders represented only 3.5 percent of the U.S. adult population, they held an estimated 32.7 percent of the total U.S. net worth in 2001 [2, 3].

There were nearly 4.0 million male top wealth holders in 2001, representing 53.7 percent of the top wealth holder population. These men had a combined net worth of \$8.0 trillion, for an average net worth of nearly \$2.0 million (see Table 2). About 73,000 of these men had a net worth of \$10 million or more. A large majority, 66.4 percent, of male top wealth holders were married, while 16.3 percent were single and 8.7 percent were widowed (see Figure A). About 8.5 percent of wealthy males were divorced or separated.

There were over 3.4 million female top wealth holders, comprising 46.3 percent of the total. The combined net worth of these women was \$5.8 trillion, while their average net worth was \$1.71 million (see Table 3). About 50,000 female top wealth holders in 2001 had a net worth of \$10 million or more. In contrast to their male counterparts, less than half, 49.0 percent, of all female top wealth holders were married, while 26.0 percent were widowed, a much

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Personal Wealth, 2001

Figure A

Top Wealth Holders: Marital Status, by Sex, 2001

Marital status	Males	Percentage	Females	Percentage
	(1)	(2)	(3)	(4)
Total.....	3,953,728	100.0	3,403,522	100.0
Married.....	2,627,212	66.4	1,668,808	49.0
Widowed.....	343,942	8.7	884,677	26.0
Single.....	645,570	16.3	487,786	14.3
Other ¹	337,004	8.5	362,251	10.6

¹ Includes individuals who were separated or divorced and those for whom marital status was not determinable.

NOTE: Detail may not add to totals because of rounding.

higher percentage than for men. About 14.3 percent of wealthy females were single, while 10.6 percent were divorced or separated.

While the average net worth of female wealth holders was more than 15 percent lower than that of males, averages can be very sensitive to outliers. When significant outliers exist, the median is often a better measure of the center of a distribution. The median net worth for male wealth holders was approximately \$978,000, while the median value for females was nearly the same at almost \$955,000. In fact, Figure B shows that the distribution of wealth

for male and female wealth holders is very similar for most points, except for those above the 95th percentile, where male net worth values dominate. It is these larger values that account for the much larger difference in the average net worth between the sexes. While not included in Figure B, it is interesting to note that the left tail of the net worth distribution for males dips much lower (larger negative values) for points below the 1st percentile than for females.

Portfolio Composition

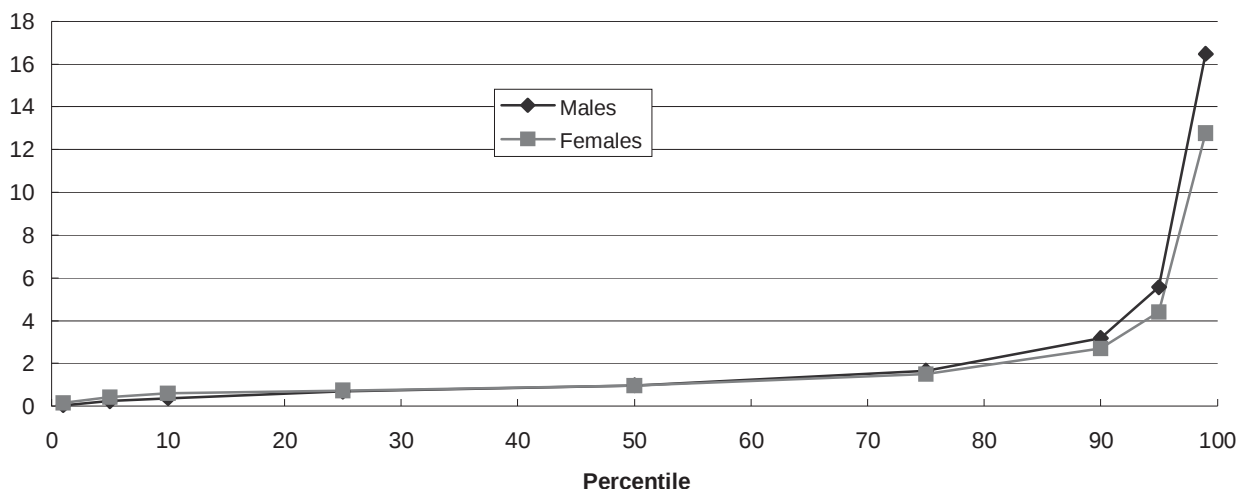
The portfolio composition of top wealth holders in 2001 varied substantially by gender and wealth. As shown in Figure C, men with less than \$1 million in net worth devoted the largest percentages of their portfolios to personal residences, 20.7 percent, and retirement assets, 18.3 percent [4]. Stock in publicly held corporations, other real estate, and cash holdings also represented significant portions of these individuals' portfolios.

For males with at least \$1 million but less than \$10 million in net worth, personal residences comprised a substantially smaller portion of their total portfolio, at 10.4 percent. Publicly traded stock comprised the single largest component, 19.7 percent, while retirement assets were the second largest component, 16.5

Figure B

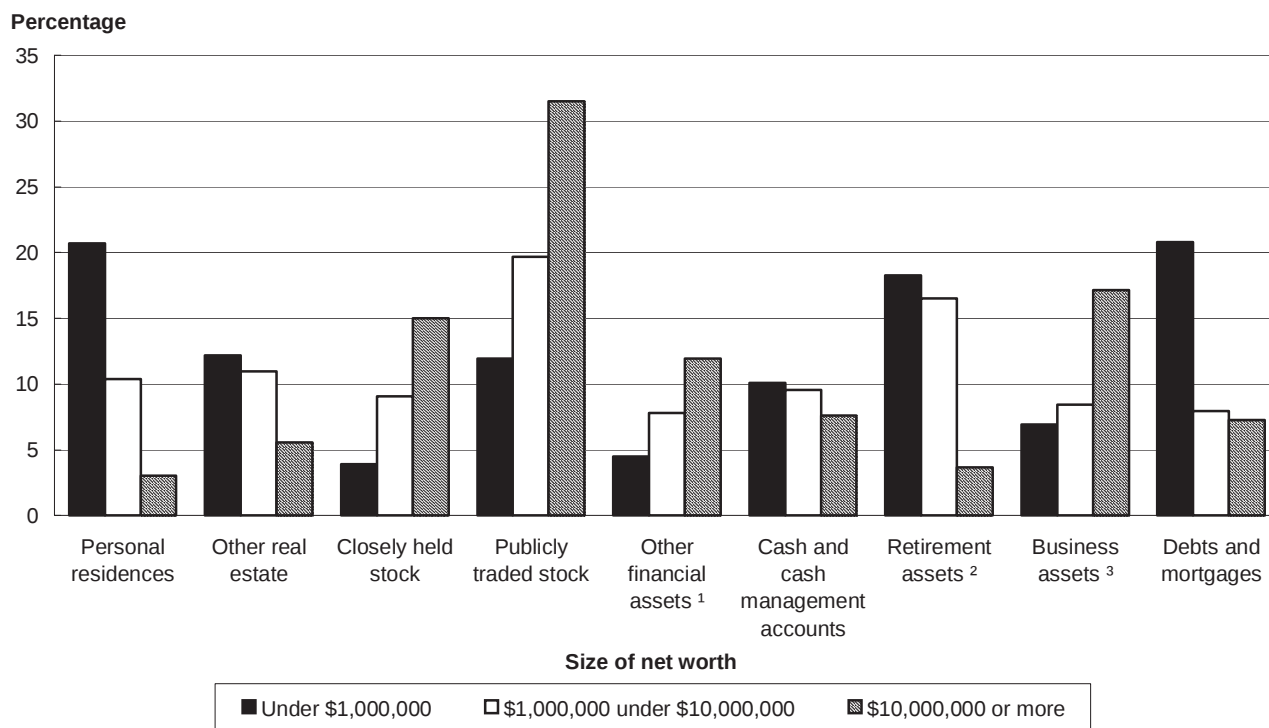
Top Wealth Holders, by Sex: Net Worth Distribution, 1st-99th Percentiles, 2001

Net worth (in millions)



Personal Wealth, 2001

Figure C

Male Top Wealth Holders: Selected Assets and Debts as a Percentage of Total Assets, by Size of Net Worth, 2001

¹ Includes all government bonds, corporate bonds, bonds issued by foreign governments, and diversified mutual funds.

² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

³ Includes noncorporate businesses, farms, and limited partnerships.

percent. The proportion of these individuals' portfolios comprised of stock in closely held companies [5] and other financial assets (such as government bonds, corporate bonds, and foreign bonds) was markedly higher than the corresponding proportion for men with less than \$1 million in net worth.

For the wealthiest males, those with net worth of \$10 million or more, financial assets were the dominant portfolio component. Holdings in the stock of publicly traded corporations, 31.5 percent, and closely held companies, 15.0 percent, combined for nearly one half of their portfolios. The wealthiest men also devoted a substantially larger proportion of their portfolios to business assets (including noncorporate businesses, farm assets, and limited partnerships), 17.2 percent, and other financial assets, 12.0 percent, than their peers in the lower wealth classes. In contrast, personal residences, 3.0 percent, and retire-

ment assets, 3.7 percent, represented only small components of their portfolios.

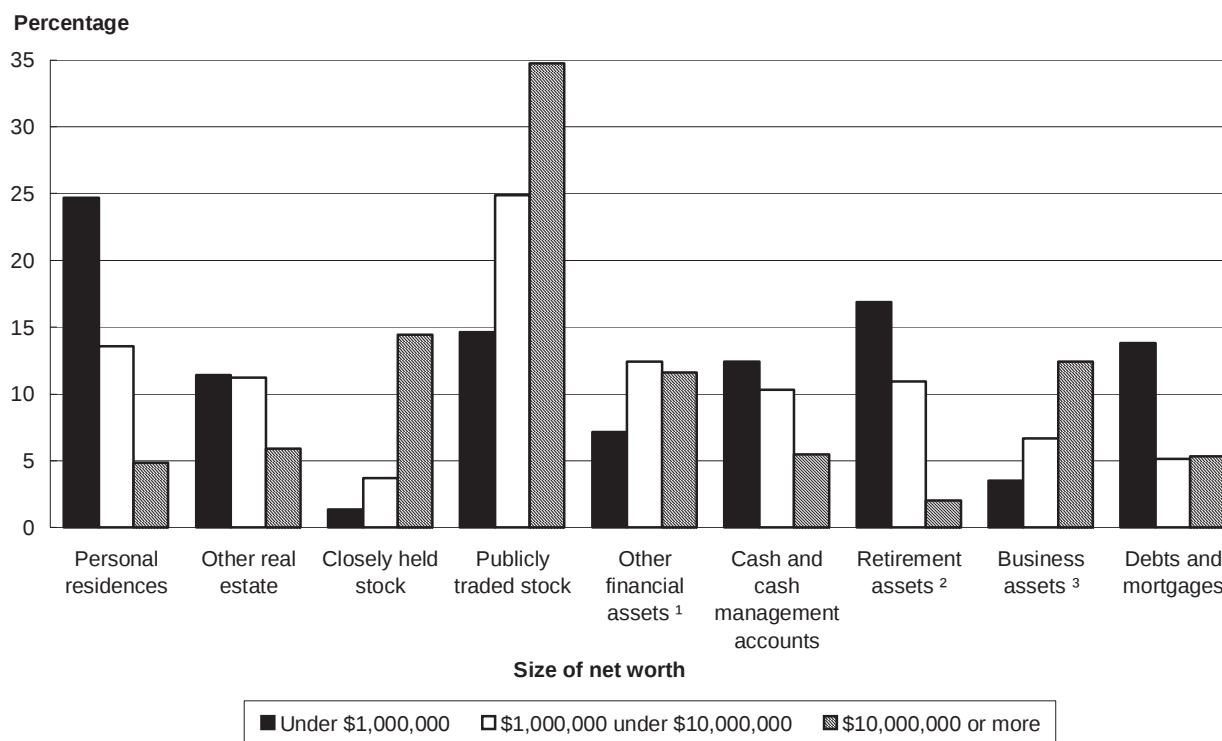
For female top wealth holders, the shift in portfolio composition as net worth increased followed a pattern similar to that for their male counterparts (see Figure D). However, there were several significant differences in the makeup of portfolios held by male and female top wealth holders. In each wealth class, women held larger proportions of their assets in personal residences and other real estate and smaller proportions in retirement and business assets than men.

The most notable difference between the asset mix of female and male top wealth holders was the importance of closely held stock in their respective portfolios. Closely held stock comprised only 1.3 percent of the portfolios of women with net worth of less than \$1 million, compared to nearly 3.9 percent for men in the same wealth class. Likewise, women

Personal Wealth, 2001

Figure D

Female Top Wealth Holders: Selected Assets and Debts as a Percentage of Total Assets, by Size of Net Worth, 2001



¹ Includes all government bonds, corporate bonds, bonds issued by foreign governments, and diversified mutual funds.

² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

³ Includes noncorporate businesses, farms, and limited partnerships.

with net worth of \$1 million but less than \$10 million held 3.7 percent of their assets in closely held stock, less than half the corresponding proportion for men in this group. This proportion shifted sharply upward, to 14.4 percent, for women with a net worth of \$10 million or more and nearly equals the 15.0 percent of their wealthiest male counterparts.

Male top wealth holders in all wealth classes had a higher ratio of debts and mortgages to total assets than their female peers. Women, in aggregate, had a debt ratio (debts divided by total assets) of 7.3 percent, while the comparable figure for men was 10.0 percent. Men with a net worth of less than \$1 million had by far the highest debt ratio, 20.8 percent.

Age

The average age of male top wealth holders in 2001 was 55.7 years, 3.6 years younger than the average

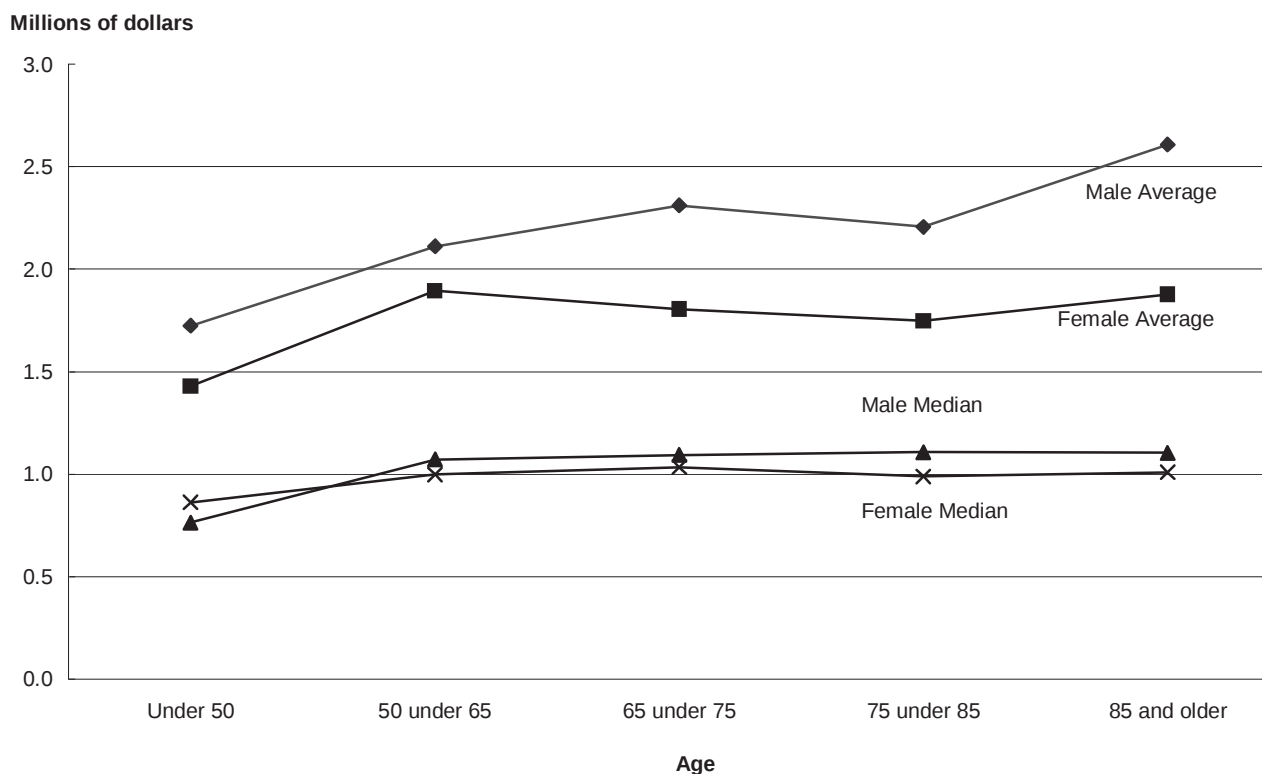
age of female top wealth holders. Figure E shows that the \$1.7 million average net worth of males under 50 was markedly lower than that for men in any other age group. For men between 50 and 85 years of age, average net worth remained relatively steady in a range between \$2.1 million and \$2.3 million. Males aged 85 and older were wealthier than men in any other age group, with an average net worth of \$2.6 million.

The average net worth of females under 50 was over \$1.4 million. Although the average for women aged 50 to 65 was significantly higher at \$1.9 million, as age increased beyond this point, there was only scant variation in average net worth. Women aged 75 to 85 actually had a lower average net worth, \$1.8 million, than their counterparts between age 50 and 75. Females 85 and older had an average net worth of about \$1.9 million, nearly identical to the average for those in the 50-under-65 age group.

Personal Wealth, 2001

Figure E

All Top Wealth Holders: Average and Median Net Worth, by Sex and Age, 2001



The median net worth of top wealth holders reveals a very different picture. For each age and sex combination, median net worth was substantially lower than average net worth. For both males and females, median wealth for those in the 50-under-65 age group increased significantly from the median for those under 50, but age had very little effect on the median net worth of wealthy individuals over 50. Although the average net worth of males was significantly higher than that of females in each age category, the median wealth of men and women was very similar regardless of age. These observations suggest that a limited number of high wealth males have a significant effect on the data. The effect is most striking for men aged 85 and older. While the median net worth of this group was virtually identical to that for the 75-under-85 age group, their average net worth was nearly one-fifth greater. Also interesting is the fact that women under age 50 had a higher median net worth than their male counterparts but a lower average net worth.

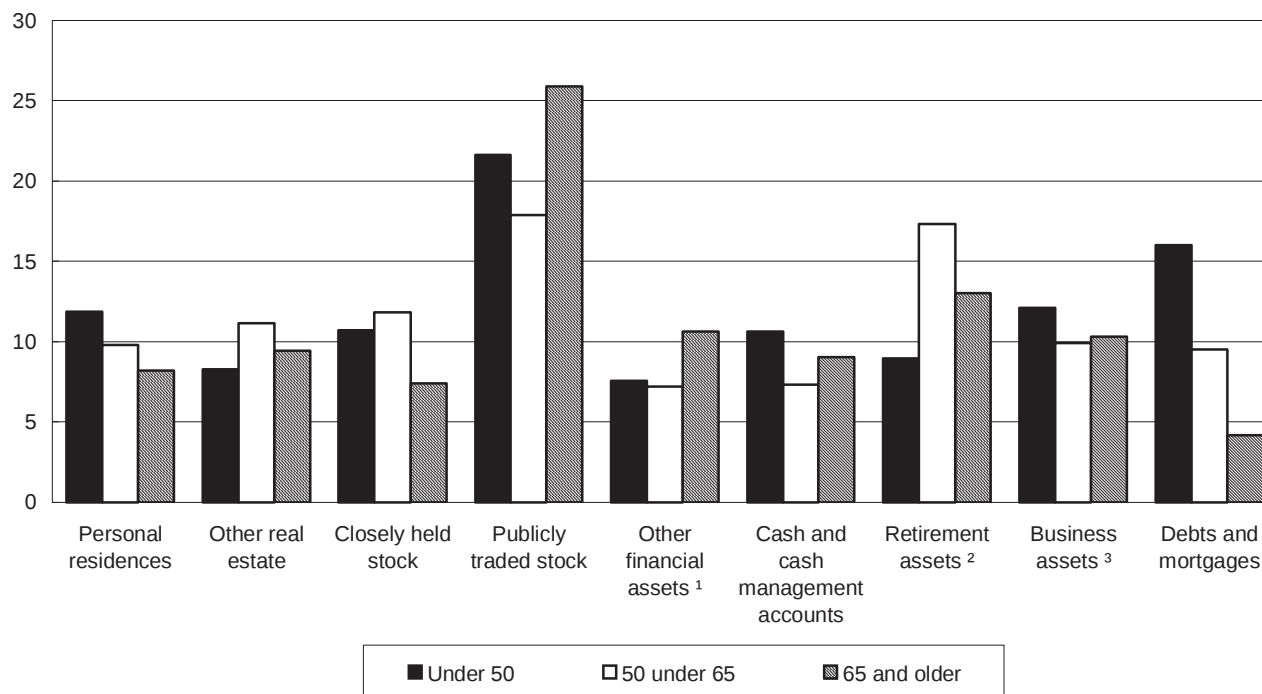
While median net worth did not vary greatly across age groups or gender, especially for those over age 50, the data suggest that both age and gender are important determinants of portfolio composition. As shown in Figure F, for males in all three age groups depicted, stock held in public companies was dominant but varied substantially in the share it contributed to total assets. For males under age 50, publicly traded stock comprised 21.6 percent of total assets. Business assets made up the second-largest share of the total for these relatively young men, 12.1 percent, followed by the value of the personal residence, 11.8 percent. For men in the 50-under-65 age bracket, retirement assets made up the second largest share of total assets, 17.3 percent, not surprising for a group approaching traditional retirement age. Publicly traded stock accounted for 17.9 percent of total assets for this group, lower than the corresponding proportion for men under age 50, while stock in closely held companies comprised 11.8 percent.

Personal Wealth, 2001

Figure F

Male Top Wealth Holders: Selected Assets and Debts as a Percentage of Total Assets, by Age, 2001

Percentage



¹ Includes all government bonds, corporate bonds, bonds issued by foreign governments, and diversified mutual funds.

² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

³ Includes noncorporate businesses, farms, and limited partnerships.

For males age 65 and older, publicly traded stock made up 25.9 percent of total assets. Men in this age group devoted the highest proportion of any age group to other financial assets, where tax-exempt bonds issued by State and local governments dominated. Closely held stock and personal residences accounted for the lowest proportion of total assets for this group, which may reflect both lifestyle changes expected for individuals in the post-retirement phase of life. About 68.3 percent of men aged 65 and older owned a personal residence compared to 75.4 percent of men younger than 65. A similar pattern can be seen for closely held stock, as 15.0 percent of men aged 65 and older owned these assets, significantly less than the 23.4 percent ownership rate of men younger than 65.

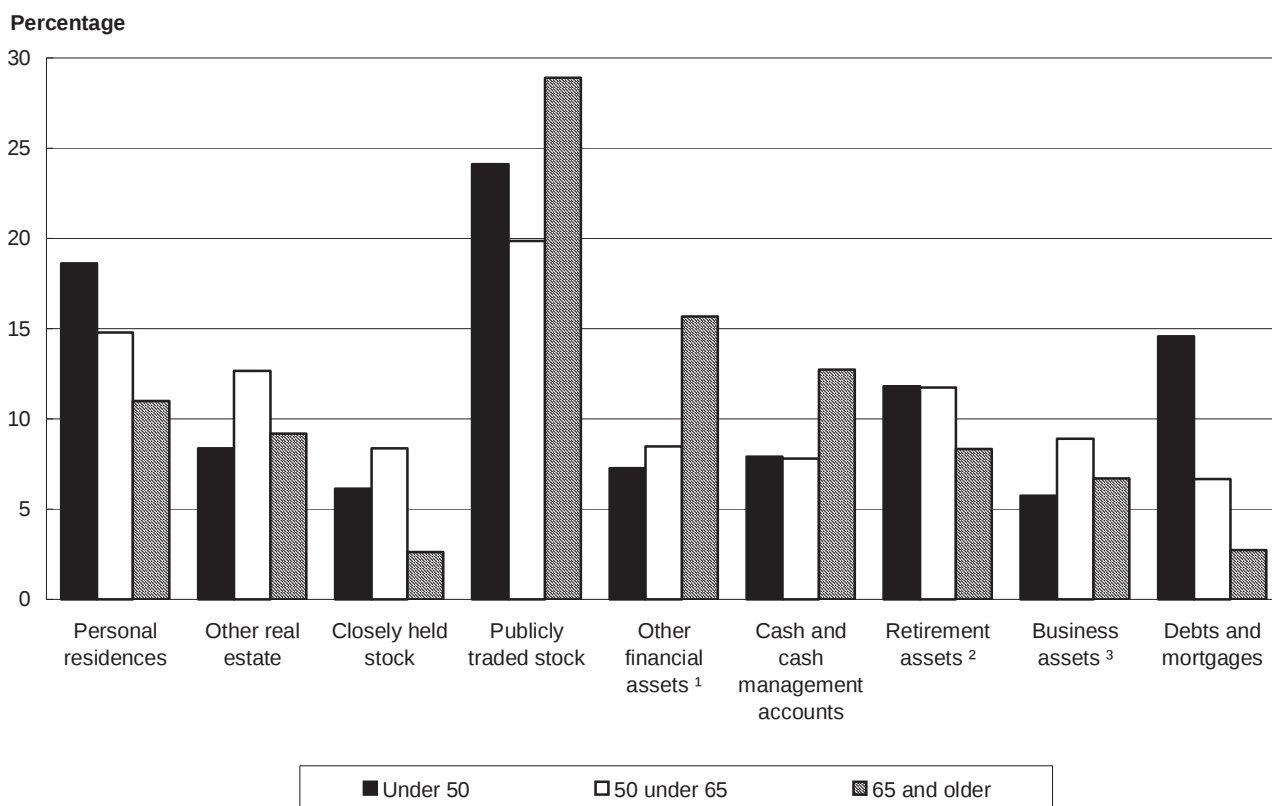
For wealthy females, publicly traded stock was also the dominant asset in each age bracket (see

Figure G). Women under 50 held 24.1 percent of their portfolios in such stocks, along with another 6.1 percent in the stock of closely held companies. The personal residence was the second largest asset component for women in this age group, 18.6 percent of total assets, followed by retirement assets. For women in the 50-under-65 age group, the personal residence was again the second largest portfolio component, with investment real estate making up a much larger share than in the portfolios held by younger women. The 50-under-65 age group also devoted the largest share of their portfolios to business assets and stock in closely held corporations among the groups depicted in Figure G. For women aged 65 and older, liquid assets, including publicly traded stock, cash accounts, and other financial assets, contribute substantially more to their portfolios than to the portfolios of women in the younger age

Personal Wealth, 2001

Figure G

Female Top Wealth Holders: Selected Assets and Debts as a Percentage of Total Assets, by Age, 2001



¹ Includes all government bonds, corporate bonds, bonds issued by foreign governments and diversified mutual funds.

² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

³ Includes non-corporate businesses, farms, and limited partnerships.

groups. In contrast, the personal residence comprised only 11.0 percent of the portfolios held by women aged 65 or older, while retirement assets accounted for only 8.3 percent for women in this oldest age bracket.

For all top wealth holders, the debt ratio decreased steadily with age (see Figure H), declining from 15.5 percent for wealthy individuals under age 50 to 1.7 percent for their counterparts age 85 and older. In each age category, women had a lower debt ratio than men, although these differences may not be statistically significant.

State Data

Figure I presents the States with the largest number of resident millionaires [6]. California, the U.S. State with the largest overall population [7], also had the largest number of millionaires with about 572,000. New York had the second-largest number of millionaires, 317,000, followed by Florida and Illinois with 249,000 and 185,000, respectively.

Another way to look at the concentration of millionaires by State is to focus on the number of millionaires as a percentage of the adult population, shown in Figure J. This approach eliminates distor-

Personal Wealth, 2001

Figure H

All Top Wealth Holders: Debt and Mortgages as a Percentage of Total Assets, by Sex and Age, 2001

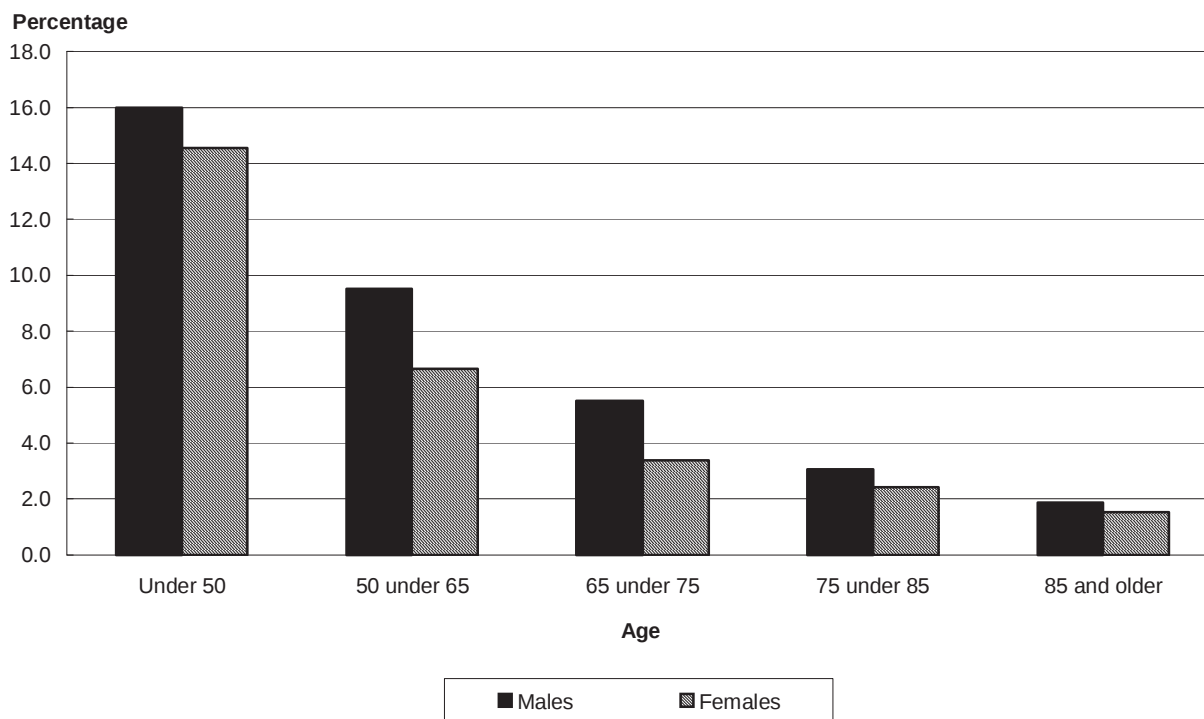


Figure I

States with the Largest Number of Resident Millionaires, 2001 ¹

[Numbers are in thousands]

State	Number of millionaires	Total adult population	Millionaires as a percentage of adult population
	(1)	(2)	(3)
California.....	572	25,176	2.3
New York.....	317	14,452	2.2
Florida.....	249	12,566	2.0
Illinois.....	185	9,274	2.0
Texas.....	182	15,297	1.2
New Jersey.....	178	6,398	2.8
Pennsylvania.....	135	9,418	1.4
Ohio.....	114	8,540	1.3
Massachusetts.....	105	4,921	2.1
Virginia.....	94	5,426	1.7

¹ Millionaires are defined as individuals with net worth of \$1 million or more.² Statistics on U.S. Population, by State, for 2001 were obtained from the U.S. Bureau of the Census, "Population by State," published online at: <http://www.census.gov/popest/states>.

Figure J

States with the Highest Concentration of Resident Millionaires, 2001 ¹

[Numbers are in thousands]

State	Number of millionaires	Total adult population	Millionaires as a percentage of adult population
	(1)	(2)	(3)
Connecticut.....	83	2,594	3.2
New Jersey.....	178	6,398	2.8
District of Columbia.....	11	458	2.4
California.....	572	25,176	2.3
New York.....	317	14,452	2.2
Massachusetts.....	105	4,921	2.1
Illinois.....	185	9,274	2.0
Florida.....	249	12,566	2.0
Wyoming.....	7	370	1.9
Delaware.....	11	605	1.8

¹ Millionaires are defined as individuals with net worth of \$1 million or more.² Statistics on U.S. Population, by State, for 2001 were obtained from the U.S. Bureau of the Census, "Population by State," published online at: <http://www.census.gov/popest/states>.

Personal Wealth, 2001

tions caused by the widely varied populations of the States. Using this measure, Connecticut ranked first with the highest number of millionaires per capita. Two of the smallest States in the country by population, Wyoming and Delaware, as well as the District of Columbia, were in the top ten by concentration of millionaires. Six States--California, Florida, Illinois, Massachusetts, New Jersey, and New York--ranked in the top ten in both the number of resident millionaires and millionaires per capita.

Millionaires, 1998-2001

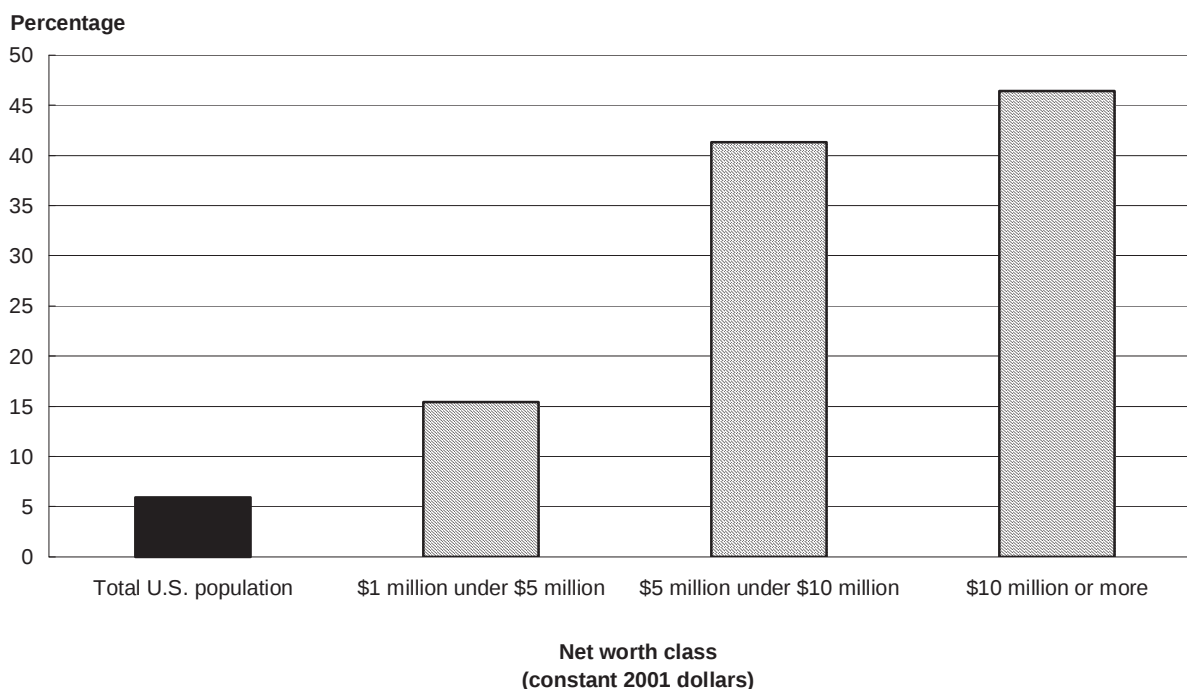
The number of adult millionaires, defined as those with net worth of \$1 million or more in real terms, increased 17.8 percent between 1998 and 2001, while the average net worth of millionaires increased 16.1 percent [8]. Figure K shows the percentage growth in the number of millionaires by net worth class between 1998 and 2001. The number of millionaires in each wealth class increased significantly between

1998 and 2001, a period generally marked by strong economic expansion until the onset of a recession in March 2001 [9], which was in turn worsened by the economic impact of the September 11 terrorist attacks. The number of millionaires with net worth between \$1 million and \$5 million grew by 15.4 percent between 1998 and 2001, while the number of millionaires in the higher wealth classes increased more rapidly, 41.3 percent for those with net worth between \$5 million and \$10 million, and 46.4 percent for those with net worth of \$10 million or more. By comparison, the total U.S. population grew by 5.9 percent during this period.

Males made up a majority of millionaires in both years (54.2 percent and 54.9 percent), although, on average, they accounted for only 48.2 percent of the adult U.S. population during this period. Figure L displays changes in the age composition of male millionaires in 1998 and 2001. The percentage of male millionaires under age 50 increased markedly

Figure K

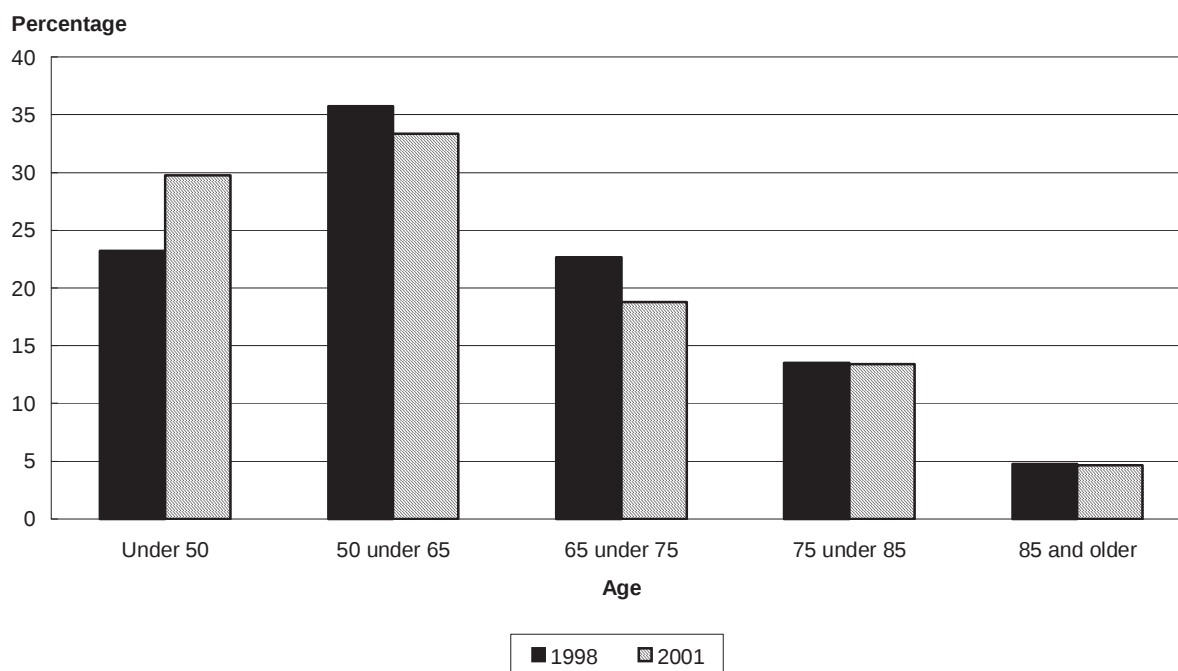
Percentage Growth in Number of Millionaires and Total U.S. Population, 1998-2001



Personal Wealth, 2001

Figure L

Percentage of Male Millionaires, by Age, 1998 and 2001



over this period, from 23.2 percent in 1998 to 29.8 percent in 2001. Conversely, the percentage of male millionaires between ages 50 and 75 declined during this period, while the percentage of male millionaires in the oldest age brackets was virtually unchanged. These patterns suggest that most of the new men who joined the millionaire population between 1998 and 2001 were under age 50.

Females accounted for 45.8 percent of the millionaire population in 1998 and 45.1 percent in 2001. Analysis of the age composition of female millionaires in 1998 and 2001 (Figure M) reveals similarities to the age composition of male millionaires. Women in the youngest age brackets, through age 65, represented larger percentages of the overall female millionaire population in 2001 than in 1998, while the percentage of women between age 65 and 85 decreased. Between 1998 and 2001, the percentage of millionaire women who were aged 85 and older was unchanged.

Portfolio Composition for Millionaires

Looking at the asset makeup of millionaires' portfolios in 1998 and 2001 reveals significant differences

in the portfolio allocations of men and women. Throughout this period, female millionaires held a higher percentage of their portfolios in real estate than their male counterparts, while the men devoted substantially more to retirement assets (see Figures N and O).

Beyond these differences, however, the portfolio composition of male and female millionaires showed similar changes between 1998 and 2001. Real estate made up a higher percentage of both men's and women's portfolios in 2001 than in 1998. This is consistent with a 25.9 percent increase in housing prices from the first quarter of 1998 to the fourth quarter of 2001 [10]. Conversely, for both sexes, stock and other financial assets comprised a substantially smaller portion of the portfolio in 2001 than in 1998. From the beginning of 1998 through the end of 2001, the S&P 500 stock index returned a more modest 18 percent, including a 13 percent decline during 2001 [11].

Concentration Estimates

The share of U.S. wealth held by the top wealth holders has long been a topic of interest for research-

Personal Wealth, 2001

Figure M

Percentage of Female Millionaires, by Age, 1998 and 2001

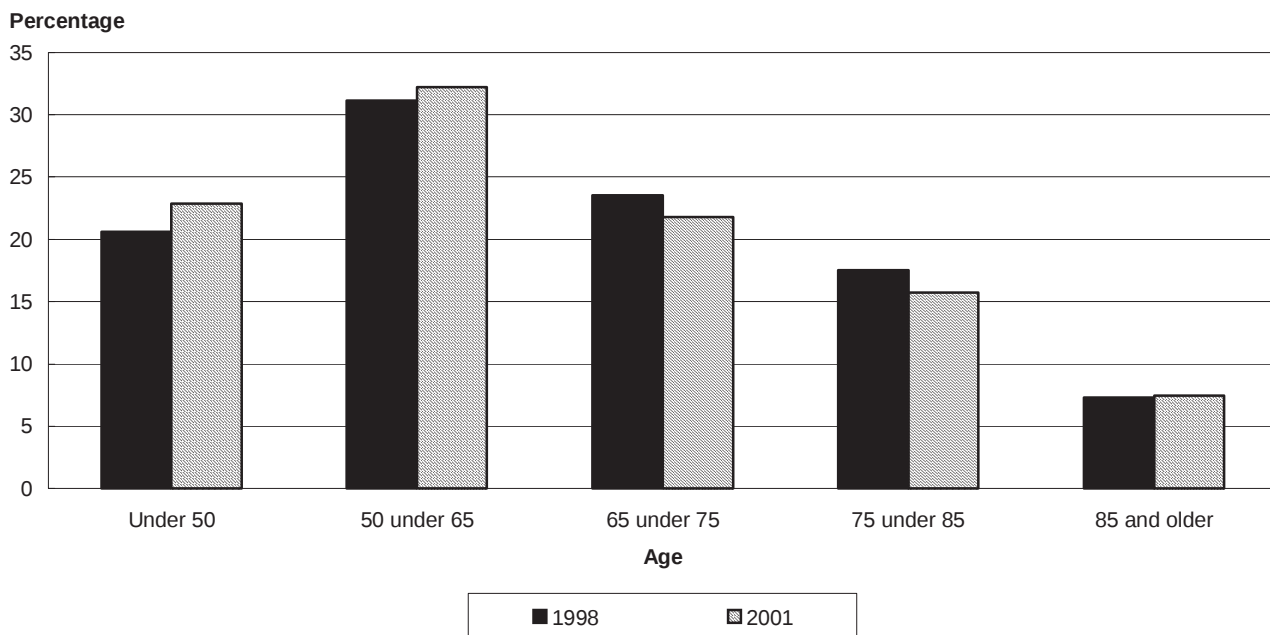
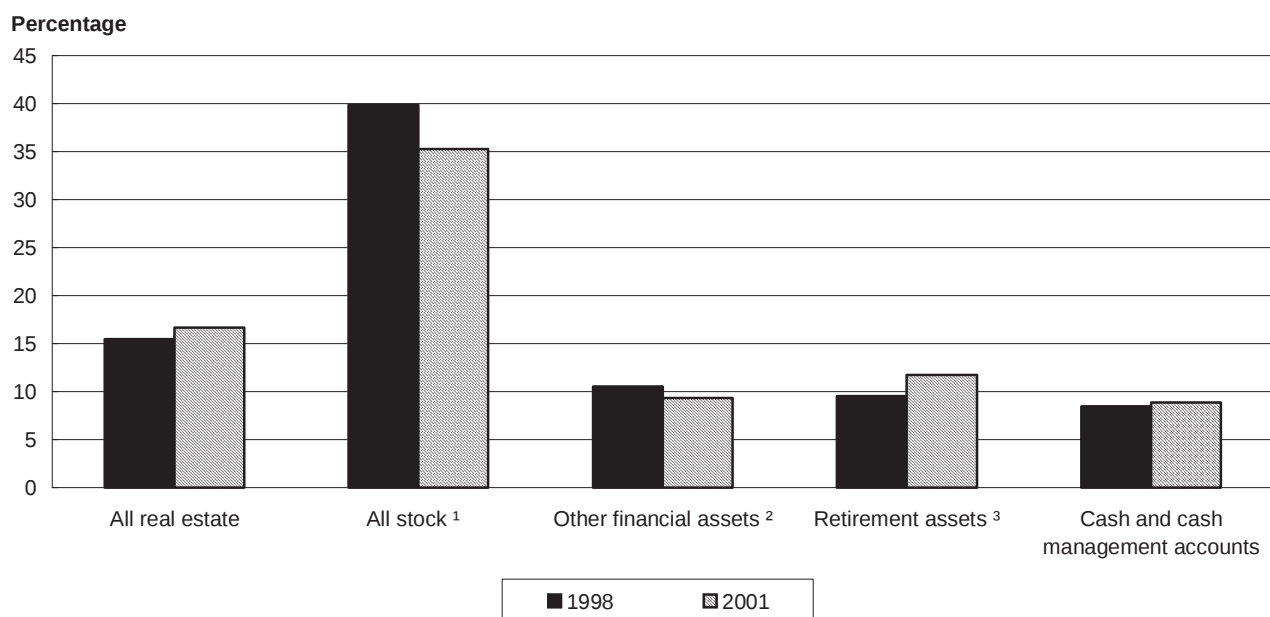


Figure N

Male Millionaires: Selected Assets as a Percentage of Total Assets, 1998 and 2001



¹ Includes publicly traded as well as closely held stock.

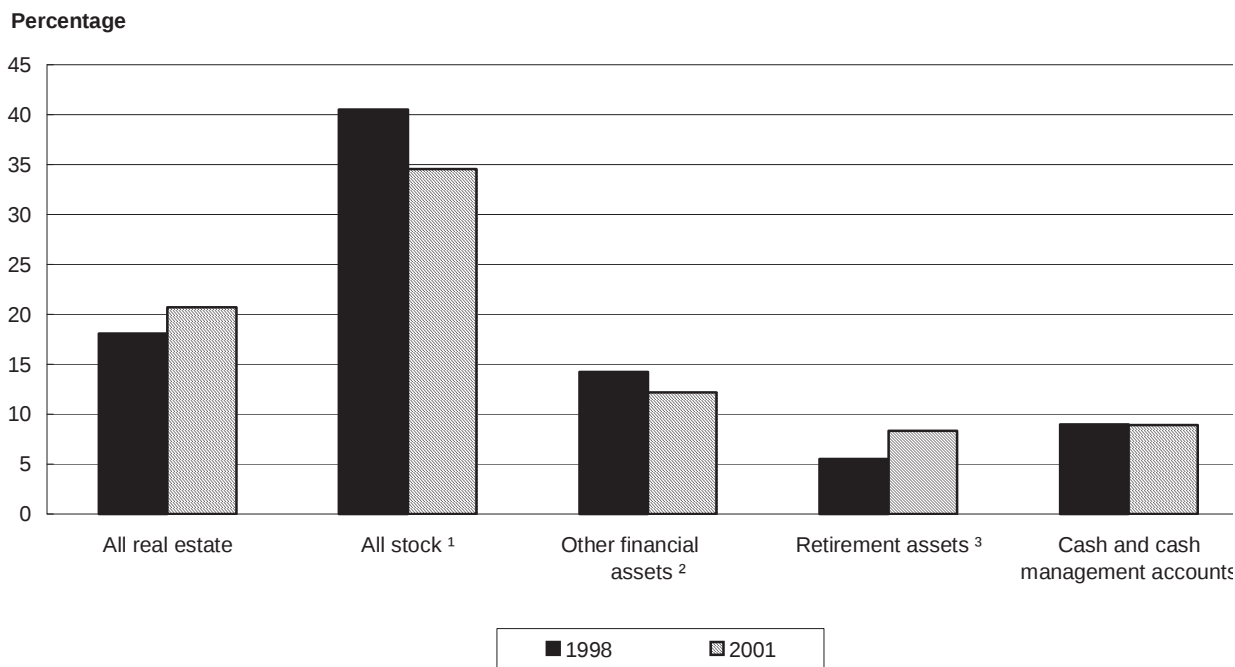
² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

³ Includes noncorporate businesses, farms, and limited partnerships.

Personal Wealth, 2001

Figure O

Female Millionaires: Selected Assets as a Percentage of Total Assets, 1998 and 2001



¹ Includes publicly traded as well as closely held stock.

² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

³ Includes noncorporate businesses, farms, and limited partnerships.

ers and the general public. One way of looking at year-to-year changes in the distribution of wealth is to examine the share of total U.S. wealth held by a constant percentage of the population. Figure P displays the percentages of total U.S. wealth held by the top 1.0 percent and the top 0.5 percent of the population between 1989 and 2001 [12]. In 2001, 1.0 percent of the U.S. adult population was approximately 2.1 million individuals. These individuals owned approximately 22.3 percent of total U.S. individual wealth, a 1.0 percent decrease since 1998 but virtually identical to the shares of wealth held in 1995 and 1992. A similar pattern was evident in the share of wealth held by the nearly 1.1 million individuals who made up the top 0.5 percent of the U.S. adult population in 2001. They held about 17.9 percent of the Nation's net worth in 2001, down slightly from 18.1 percent in 1998 and just above the shares held in 1995 and 1992. The slight interperiod variations shown in Figure O are well within the sampling error of these estimates. Overall, these results suggest that the share of wealth held by the

very wealthiest Americans has been nearly constant over the 12-year period [13].

Summary

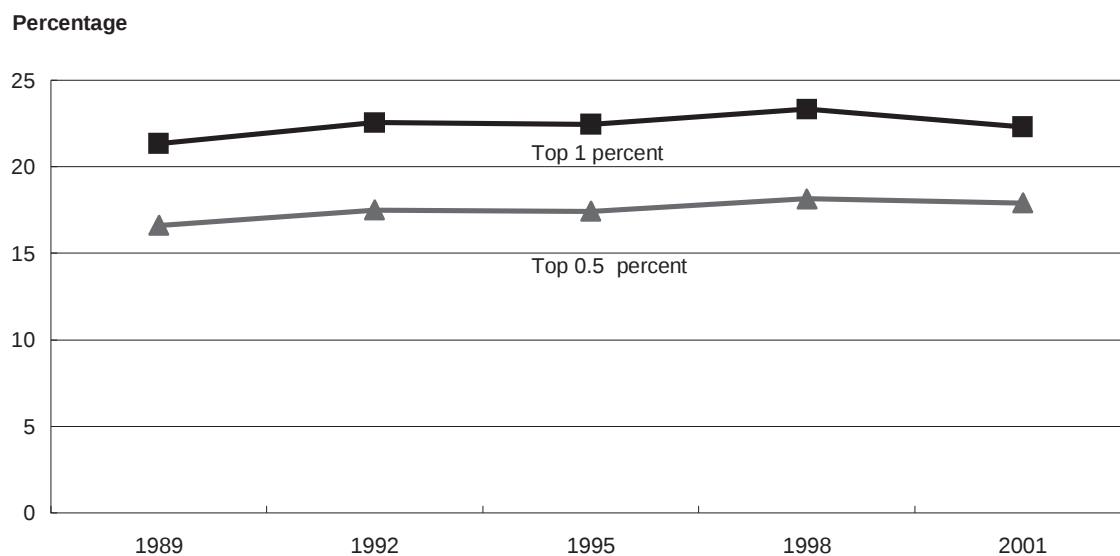
There were more than 7.3 million individuals in the United States with gross assets of \$675,000 or more in 2001. These individuals represented about 3.5 percent of the total U.S. adult population. Top wealth holders had a combined net worth of \$13.8 trillion, or 32.7 percent of total U.S. net worth. Almost 4.0 million, or 53.7 percent, of these wealthy individuals were male, and 3.4 million were female. Although the median net worth of male and female top wealth holders was similar, men had a significantly higher average net worth, reflecting the impact of a relatively few very wealthy men at the top end of the wealth distribution.

The age, gender, and relative wealth of top wealth holders impacted the composition of their portfolios. Women's portfolios contained a greater proportion of real estate and stock in public corporations than those of men. Conversely, men's portfo-

Personal Wealth, 2001

Figure P

Percentage of Total U.S. Net Worth Held by the Top 1 Percent and 0.5 Percent of the U.S. Population, 1989-2001



lios were made up of proportionately more closely held stock, business assets, and retirement assets. The value of the personal residence made up smaller percentages in the portfolios of older top wealth holders than in portfolios held by younger individuals in the same wealth classes. Men in each wealth and age class had a higher ratio of debts to total assets than their female counterparts.

There was a significant increase in the number of U.S. citizens with net worth of \$1.0 million or more between 1998 and 2001. While the number of millionaires in each wealth class grew more rapidly than the overall U.S. population during this period, the growth rate in the number of millionaires with net worth of less than \$5 million was slower than the rate for millionaires with net worth of \$5 million or more.

In 2001, California remained the State with the largest number of millionaires, while Connecticut was the State with the greatest per capita concentration of millionaires. Estimates of the amount of wealth held by the top 1.0 percent and 0.5 percent of the U.S. population suggest that the percentage of overall U.S. wealth held by these groups has not changed significantly between 1989 and 2001.

Data Sources and Limitations

Statistics of Income collects data from an annual sample of Federal estate tax returns that are used primarily for policy and budget purposes. The sample follows a 3-year cycle that is designed mainly to accommodate year-of-death estimates, with each study concentrating on decedents who died in the first year, the focus year, of the 3-year cycle. The annual samples are also adequate for producing filing-year estimates. Year-of-death estimates are desirable, because filing extensions and other filing delays mean that returns filed in any given calendar year may represent decedents who died in many different years. Thus, estate tax return data for a single filing year may reflect different economic and tax law conditions. By concentrating on a single year of death, these limitations can be overcome, making it possible to study the data in the context of a single time period.

Returns are selected using a stratified random sample with three stratifying variables. The stratifying variables are: year of death (focus year versus nonfocus years), total gross estate plus certain adjusted taxable gifts made during a decedent's lifetime,

Personal Wealth, 2001

and age at death. The gross estate plus gifts variable is divided into five categories: \$675,000 under \$1 million, \$1 million under \$2.5 million, \$2.5 million under \$5 million, \$5 million under \$10 million, and \$10 million or more. Age at death is also divided into five categories: under 40, 40 under 50, 50 under 65, 65 under 75, and 75 and older. Sample rates vary from 3 percent to 100 percent, with over half the strata selected with certainty, i.e., at the 100-percent rate.

SOI has combined Federal estate tax returns filed in 2001, 2002, and 2003 to produce the estimates of wealth for 2001 presented here. One of the strengths of estimates derived from SOI samples of estate tax returns is the large sample on which the estimates are based. The 2001 sample includes more than 25,800 returns [14].

While the sample size and richness of available data make the estimation techniques used in this study attractive, there are limitations to be noted. First, and most important, estate tax returns provide a presumably random sample, stratified by age, not of the total population, but of living persons with gross assets at or above the estate tax filing threshold. Sample rates are approximated by appropriate mortality rates; however, determining appropriate mortality rates for use in calculating sample weights is by no means a straightforward exercise. The Appendix to this article discusses the estate multiplier technique and recent innovations in calculating sample weights for SOI's personal wealth estimates.

Second, while estate tax returns are generally prepared by professionals and are, therefore, likely to be more accurate in detail than survey responses, the values reported are used to compute tax liability so that there is a natural tendency for the values to be somewhat conservative. This is especially true for hard-to-value assets, such as businesses and certain types of real estate. It should also be noted that the estate tax data used for these estimates are preaudit figures. A Statistics of Income (SOI) study, based on the results of IRS audits of estate tax returns filed in 1992, estimated that detected undervaluation of assets was about 1.2 percent of total asset holdings [15]. In addition, it is common to claim substantial discounts when valuing ownership interests of less than 50 percent in small companies, partnerships, and other, nonliquid assets. Increasingly, estate planning techniques are used to fracture ownership interests in

a variety of business and financial assets to take advantage of these discounts.

Third, while estate tax returns report assets that are owned outright, total wealth might ideally include wealth to which a person has an income interest but not necessarily actual title. Examples of the latter include defined-benefit pension plans and Social Security benefits.

Finally, the wealth of some individuals near death may differ somewhat from that of the general population in the same age cohort. For some, portfolios may have been altered or simplified to ensure the uninterrupted continuation of an ongoing business or to simplify the task of executing the estate. For others, wealth will have been reduced through expenses related to a final illness. In many cases, effective estate planning may also have reduced the value of the estate reportable for tax purposes.

Appendix: The Estate Multiplier Technique

The estate multiplier technique assumes that estate tax returns, taken as a whole, represent a random sample of the living wealthy population and thus provide a means of producing reasonable estimates of personal wealth [16]. Estimates of the wealth holdings of the living population are derived by applying a multiplier, based on appropriate mortality rates, to this sample. The multiplier is equivalent to a sampling weight where the probabilities of selection include the probability of being a decedent and also that of being included in the Statistics of Income sample of estate tax returns. Mathematically, this is represented as:

$$\text{MULT} = 1 / (p \cdot r) \text{ where}$$

p = probability of selection to the estate tax sample, and

r = mortality rate appropriate to wealthy individuals.

Some smoothing of the multipliers was employed to constrain both tails of the net worth distribution.

The more difficult computation is determining the probability of being a decedent. Mortality rates for the general population, by age and sex, are available from the National Center for Health Statistics. However, there is much evidence that the wealthy have mortality rates significantly lower than those of the entire population. Research has demonstrated that "individuals who are economically or socially better

Personal Wealth, 2001

off also live longer, on average, and are healthier” [17]. Factors such as access to better health services, better diet and nutrition, and fewer work-related risks seem to contribute to this phenomenon. If mortality and wealth are inversely related, then mortality rates unadjusted for wealth level will be too low and, thus, undervalue wealth. Therefore, it is important to determine a mortality rate appropriate to the wealthy decedents in the estate tax return sample.

There have been a considerable number of attempts to quantify differences between the mortality of the general population and that of the very wealthy, looking at factors such as education, income, and occupation. In years past, SOI calculated mortality rates for its Personal Wealth estimates by adjusting mortality rates for the entire population using mortality differentials derived using the National Longitudinal Mortality Study (NLMS) sponsored by the National Institutes of Health. However, the most recent publicly available microdata from the NLMS are from 1995. In order to incorporate mortality information that was more contemporary with the SOI data, the 2001 estate multipliers were calculated using mortality rates for holders of large dollar value annuity policies obtained from the Society of Actuaries (SOA). This data source has several advantages beyond being more recently updated. First, annual annuitant mortality rates are available. Second, use of this source is consistent with other recent academic research within and outside the IRS.

For consistency, estimates for 1998 used in this article were recalculated using the annuitant mortality rates. Therefore, they differ somewhat from 1998 estimates previously published by SOI. The most significant difference between the two weighting methodologies is that, relative to employing the annuitant mortality data, using the NLMS data tended to slightly underestimate the proportion of wealthy women in the top wealth holder population.

Notes and References

- [1] Estimates of the equity value of life insurance included in total assets were approximated, based on the face value reported on Federal estate tax returns and on the decedent’s age. A ratio of the equity value to the face value was developed, using data from wealthy respondents to the 1989, 1992, and 1995 Surveys of Consumer Finances. A simple regression was used to estimate the ratio of the equity value to the face value as a function of age in the SCF and then applied to the Statistics of Income data.
- In addition, the Internal Revenue Code (IRC) section 2032 allows executors to value property as of the date 6 months after a decedent’s death (or on the date property is distributed, sold, exchanged, or otherwise disposed of, within 6 months of death) in cases where the value of the gross estate decreased. Values presented in this article are as reported for the decedent’s date of death.
- Finally, under IRC section 2032A, executors are allowed to value certain qualified real property used in a farm or other business based on its business (qualified) use rather than at a higher fair market value under certain circumstances. For this article, fair market values are substituted for the qualified values used to determine estate tax liability.
- [2] Population estimates were obtained from the *Statistical Abstract of the United States*, U.S. Bureau of the Census, Washington, DC, various years, Table entitled “*Resident Population by Sex and Age*.”
- [3] Estimate of the total net worth of the United States is taken from household estimates derived from the Board of Governors of the Federal Reserve System’s Survey of Consumer Finances (SCF), found in Kennickell, Arthur B. (2001), “A Rolling Tide: Changes in the Distribution of Wealth in the U.S., 1989-2001,” Board of Governors of the Federal Reserve System working paper, p. 21.
- [4] Retirement assets considered part of portfolio wealth in these estimates include contribution type plans such as Individual Retirement Arrangements (IRAs), 401K, and Keogh accounts, as well as annuities.
- [5] A closely held company is a corporation whose stock is not publicly traded, usually a family-owned enterprise.
- [6] While the size of the underlying sample of estate tax returns makes estimates of wealth derived using the estate multiplier technique fairly robust,

Personal Wealth, 2001

estimates of wealth by State can be subject to significant year-to-year fluctuations. This is especially true for individuals at the extreme tail of the net worth distribution and for States with relatively small decedent populations.

- [7] Statistics on U.S. population, by State, for 2001 were obtained from the U.S. Bureau of the Census, "Population by State," published online at: <http://www.census.gov/popest/states>.
- [8] Estimates for 1998 have been converted to constant 2001 dollars for consistency, using the GDP chain-type price index. See the Federal Reserve Economic Data Web site at: <http://research.stlouisfed.org/fred2>.
- [9] Data on business cycle expansions and contractions were obtained from the National Bureau of Economic Research (NBER). See <http://www.nber.org/cycles/cyclesmain.html>.
- [10] Change in housing prices was calculated using the Office of Federal Housing Enterprise Oversight (OFHEO) House Price Index. See <http://www.ofheo.gov>.
- [11] Data on returns of the S&P 500 index were obtained from the Standard & Poor Web site. See <http://www2.standardandpoors.com>.
- [12] See Footnote 2.
- [13] These results are consistent with those derived from the Federal Reserve Board's Survey of Consumer Finances. See Kennickell (2001).
- [14] Although the overall sample of estate tax returns is large, the number of decedents who were young (less than 40) or extremely wealthy (gross assets of \$5 million or more) in any given year varies considerably and is small in comparison to their number in the living population. Because of this, the resulting estimates of wealth for these two categories of living individuals would be subject to significant fluctuations from period to period. To reduce this variance, the sample is "smoothed" by including all returns for young or wealthy decedents filed during the 3-year sample period without regard to their years of death. These segments of the sample are then poststratified and reweighted to represent the true decedent population for the year of interest. This technique reduces the effect of outliers on estimates of personal wealth.
- [15] Eller, Martha Britton (2001), "Audit Revaluation of Federal Estate Tax Returns," *Internal Revenue Service Statistics of Income Bulletin*, Winter 2000-2001, Washington, DC.
- [16] See Atkinson, A.B. and Harrison, A.J. (1978), *Distribution of Personal Wealth in Britain*, for a thorough discussion of the estate multiplier technique.
- [17] See Menchik, Paul (1991), "Economic Status as a Determinant of Mortality Among Nonwhite and White Older Males: or, Does Poverty Kill?" Institute for Research on Poverty, Discussion Paper Number 93891.

Personal Wealth, 2001

Table 1.--Personal Wealth, 2001: Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	7,357	15,181,904	5,683	1,348,314	7,357	13,833,590	5,486	1,790,585
Size of net worth:								
Negative net worth ¹	32	34,901	32	59,218	32	-24,318	20	6,897
\$1 under \$600,000.....	1,509	980,726	1,343	299,959	1,509	680,767	1,182	282,507
\$600,000 under \$1,000,000.....	2,307	2,080,347	1,657	178,962	2,307	1,901,385	1,654	411,849
\$1,000,000 under \$2,500,000.....	2,569	4,127,949	1,896	290,366	2,569	3,837,583	1,904	585,453
\$2,500,000 under \$5,000,000.....	574	2,106,827	451	145,890	574	1,960,937	438	211,564
\$5,000,000 under \$10,000,000.....	243	1,771,700	196	104,753	243	1,666,947	187	143,179
\$10,000,000 under \$20,000,000.....	77	1,128,101	66	74,128	77	1,053,973	62	74,680
\$20,000,000 or more.....	46	2,951,352	42	195,037	46	2,756,315	39	74,457

Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	3,453	1,483,808	1,179	1,228,657	5,475	3,492,512	2,073	877,867
Size of net worth:								
Negative net worth ¹	15	4,116	8	2,209	16	8,058	1	155
\$1 under \$600,000.....	621	140,049	182	29,826	900	68,119	99	4,623
\$600,000 under \$1,000,000.....	970	221,197	217	49,671	1,700	333,887	586	65,654
\$1,000,000 under \$2,500,000.....	1,267	451,974	448	203,715	2,042	814,725	925	191,683
\$2,500,000 under \$5,000,000.....	339	259,276	166	165,506	486	487,587	257	133,125
\$5,000,000 under \$10,000,000.....	150	175,206	93	173,792	216	450,143	133	165,256
\$10,000,000 under \$20,000,000.....	56	96,322	39	154,327	71	300,377	46	99,247
\$20,000,000 or more.....	34	135,669	27	449,612	43	1,029,616	27	218,124

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	867	34,918	1,068	237,996	1,155	123,750	377	28,251
Size of net worth:								
Negative net worth ¹	2	1	--	--	2	515	--	--
\$1 under \$600,000.....	189	1,425	65	2,992	91	2,944	32	714
\$600,000 under \$1,000,000.....	312	11,985	349	28,393	386	20,311	138	6,589
\$1,000,000 under \$2,500,000.....	287	17,810	466	60,430	469	40,260	153	11,924
\$2,500,000 under \$5,000,000.....	53	2,566	109	28,846	120	20,599	35	3,782
\$5,000,000 under \$10,000,000.....	17	663	49	21,077	50	11,775	12	2,358
\$10,000,000 under \$20,000,000.....	5	214	16	18,637	21	7,609	4	844
\$20,000,000 or more.....	2	254	14	77,621	15	19,737	3	2,041

Footnotes at end of table.

Personal Wealth, 2001

Table 1.--Personal Wealth, 2001: Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property by Size of Net Worth--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds ²		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	1,616	141,541	6,936	836,805	4,656	583,257	1,455	379,574
Size of net worth:								
Negative net worth ¹	3	12	24	1,698	10	844	4	783
\$1 under \$600,000.....	236	7,597	1,426	52,750	684	19,482	201	18,876
\$600,000 under \$1,000,000.....	544	25,201	2,172	185,816	1,457	87,089	384	47,220
\$1,000,000 under \$2,500,000.....	586	38,836	2,418	278,841	1,772	170,679	558	106,889
\$2,500,000 under \$5,000,000.....	144	22,725	548	108,247	432	86,697	169	52,727
\$5,000,000 under \$10,000,000.....	66	8,833	229	67,677	194	79,643	80	60,807
\$10,000,000 under \$20,000,000.....	23	5,366	74	46,625	66	49,364	35	31,962
\$20,000,000 or more.....	15	32,973	45	95,150	40	89,459	25	60,310

Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	4,936	257,998	1,052	646,274	726	356,921	747	408,577
Size of net worth:								
Negative net worth ¹	30	3,086	6	1,837	4	1,964	1	7
\$1 under \$600,000.....	1,354	76,095	189	20,768	86	25,522	56	2,428
\$600,000 under \$1,000,000.....	1,472	53,199	205	33,456	211	65,491	148	10,696
\$1,000,000 under \$2,500,000.....	1,547	76,310	368	99,258	304	128,713	300	43,421
\$2,500,000 under \$5,000,000.....	324	24,754	135	84,715	69	45,387	117	38,668
\$5,000,000 under \$10,000,000.....	139	14,170	86	84,869	33	34,624	66	55,530
\$10,000,000 under \$20,000,000.....	42	4,925	34	87,094	10	15,628	32	40,503
\$20,000,000 or more.....	27	5,459	28	234,278	9	39,592	26	217,325

Size of net worth	Retirement assets ³		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total.....	5,541	1,802,138	235	60,915	6,549	409,565
Size of net worth:						
Negative net worth ¹	13	931	1	32	26	1,754
\$1 under \$600,000.....	1,204	184,939	25	329	1,366	38,743
\$600,000 under \$1,000,000.....	1,729	358,632	35	886	2,002	63,127
\$1,000,000 under \$2,500,000.....	1,915	697,096	81	3,483	2,288	106,453
\$2,500,000 under \$5,000,000.....	414	273,472	39	7,176	524	49,412
\$5,000,000 under \$10,000,000.....	178	160,929	24	3,553	225	57,617
\$10,000,000 under \$20,000,000.....	55	66,207	15	4,772	74	23,400
\$20,000,000 or more.....	33	59,934	15	40,683	45	69,059

¹ Includes individuals with zero net worth.² Mutual funds with a single investment objective are grouped with similar direct investments in this table.³ Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

Personal Wealth, 2001

Table 2.--Personal Wealth, 2001: Male Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	3,953	8,890,276	3,050	890,738	3,953	7,999,538	2,893	887,979
Size of net worth:								
Negative net worth ¹	26	32,272	26	56,118	26	-23,846	17	5,907
\$1 under \$600,000.....	919	562,062	815	178,495	919	383,567	715	158,339
\$600,000 under \$1,000,000.....	1,083	984,350	758	93,780	1,083	890,570	746	162,180
\$1,000,000 under \$2,500,000.....	1,363	2,243,244	993	189,812	1,363	2,053,432	989	284,976
\$2,500,000 under \$5,000,000.....	333	1,222,038	268	92,767	333	1,129,271	251	110,947
\$5,000,000 under \$10,000,000.....	155	1,148,462	125	84,312	155	1,064,150	118	83,846
\$10,000,000 under \$20,000,000.....	42	624,240	36	43,765	42	580,475	32	30,216
\$20,000,000 or more.....	31	2,073,608	28	151,689	31	1,921,920	26	51,568
Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,895	848,748	822	883,579	2,822	1,946,329	947	451,288
Size of net worth:								
Negative net worth ¹	10	3,400	8	2,209	14	8,026	1	155
\$1 under \$600,000.....	344	74,712	139	23,875	517	38,808	49	2,334
\$600,000 under \$1,000,000.....	501	114,128	142	35,262	759	141,310	243	25,164
\$1,000,000 under \$2,500,000.....	683	247,600	305	145,384	1,046	385,646	405	80,165
\$2,500,000 under \$5,000,000.....	202	143,503	114	121,794	281	253,438	135	59,062
\$5,000,000 under \$10,000,000.....	100	115,265	72	150,390	137	269,144	73	87,486
\$10,000,000 under \$20,000,000.....	31	50,809	23	77,985	39	159,053	23	52,029
\$20,000,000 or more.....	23	99,331	19	326,681	30	690,904	18	144,893
Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	471	14,227	475	135,232	531	61,662	174	12,541
Size of net worth:								
Negative net worth ¹	1	(²)	--	--	2	515	--	--
\$1 under \$600,000.....	135	653	30	498	47	1,563	19	270
\$600,000 under \$1,000,000.....	138	4,788	152	12,022	139	5,912	56	2,241
\$1,000,000 under \$2,500,000.....	153	6,351	189	25,036	227	17,669	70	4,947
\$2,500,000 under \$5,000,000.....	31	1,741	59	14,818	64	8,117	18	2,014
\$5,000,000 under \$10,000,000.....	9	360	27	12,554	31	6,325	8	1,877
\$10,000,000 under \$20,000,000.....	3	128	8	11,457	10	4,272	1	319
\$20,000,000 or more.....	2	206	9	58,848	11	17,288	3	873

Footnotes at end of table.

Personal Wealth, 2001

Table 2.--Personal Wealth, 2001: Male Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property by Size of Net Worth--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds ³		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	796	78,572	3,744	485,476	2,337	320,619	842	215,185
Size of net worth:								
Negative net worth ¹	3	12	21	1,670	10	843	4	783
\$1 under \$600,000.....	147	4,385	875	32,038	368	8,551	120	9,795
\$600,000 under \$1,000,000.....	199	10,152	1,020	79,495	620	36,773	209	19,629
\$1,000,000 under \$2,500,000.....	298	18,898	1,286	146,168	912	77,647	317	60,888
\$2,500,000 under \$5,000,000.....	83	7,752	321	69,611	243	48,475	100	31,307
\$5,000,000 under \$10,000,000.....	44	5,693	150	49,352	122	50,212	56	35,377
\$10,000,000 under \$20,000,000.....	13	2,417	41	30,554	36	29,452	19	16,859
\$20,000,000 or more.....	10	29,261	30	76,588	27	68,665	17	40,546
Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	3,072	198,673	698	440,794	442	238,942	418	281,092
Size of net worth:								
Negative net worth ¹	24	2,787	5	1,813	3	1,549	1	7
\$1 under \$600,000.....	864	55,230	148	16,429	63	19,939	25	1,595
\$600,000 under \$1,000,000.....	786	35,977	128	20,334	130	41,324	82	6,288
\$1,000,000 under \$2,500,000.....	997	61,317	229	65,926	173	81,308	155	26,433
\$2,500,000 under \$5,000,000.....	237	21,615	90	44,834	40	31,289	72	26,556
\$5,000,000 under \$10,000,000.....	112	13,016	59	57,511	21	18,926	45	35,791
\$10,000,000 under \$20,000,000.....	30	4,352	19	54,237	6	10,590	18	22,873
\$20,000,000 or more.....	23	4,380	21	179,711	6	34,016	19	161,549
Size of net worth	Retirement assets ⁴		Art		Other assets			
	Number	Amount	Number	Amount	Number	Amount		
	(41)	(42)	(43)	(44)	(45)	(46)		
Total.....	3,091	1,147,780	110	21,083	3,516	220,478		
Size of net worth:								
Negative net worth ¹	11	910	1	32	20	1,653		
\$1 under \$600,000.....	728	88,220	10	132	830	24,695		
\$600,000 under \$1,000,000.....	843	199,488	21	742	942	31,141		
\$1,000,000 under \$2,500,000.....	1,071	446,225	32	1,389	1,212	59,273		
\$2,500,000 under \$5,000,000.....	258	193,665	21	5,770	300	25,730		
\$5,000,000 under \$10,000,000.....	123	120,919	11	1,036	143	33,383		
\$10,000,000 under \$20,000,000.....	33	52,954	6	2,269	39	11,414		
\$20,000,000 or more.....	24	45,400	8	9,713	30	33,189		

¹ Includes individuals with zero net worth.² Less than \$500,000.³ Mutual funds with a single investment objective are grouped with similar direct investments in this table.⁴ Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

Personal Wealth, 2001

Table 3.--Personal Wealth, 2001: Female Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	3,404	6,291,628	2,633	457,576	3,404	5,834,052	2,592	902,607
Size of net worth:								
Negative net worth ¹	6	2,628	6	3,100	6	-472	3	990
\$1 under \$600,000.....	589	418,664	528	121,464	589	297,201	467	124,168
\$600,000 under \$1,000,000.....	1,224	1,095,997	899	85,182	1,224	1,010,815	908	249,669
\$1,000,000 under \$2,500,000.....	1,206	1,884,705	903	100,554	1,206	1,784,151	916	300,477
\$2,500,000 under \$5,000,000.....	240	884,789	183	53,123	240	831,666	186	100,617
\$5,000,000 under \$10,000,000.....	88	623,239	71	20,441	88	602,798	69	59,333
\$10,000,000 under \$20,000,000.....	35	503,862	30	30,363	35	473,498	30	44,464
\$20,000,000 or more.....	15	877,743	14	43,349	15	834,395	13	22,889

Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,558	635,060	357	345,078	2,653	1,546,183	1,127	426,579
Size of net worth:								
Negative net worth ¹	5	716	--	--	2	32	--	--
\$1 under \$600,000.....	276	65,337	43	5,951	384	29,311	50	2,289
\$600,000 under \$1,000,000.....	469	107,069	74	14,409	940	192,577	343	40,490
\$1,000,000 under \$2,500,000.....	584	204,374	143	58,332	996	429,079	520	111,518
\$2,500,000 under \$5,000,000.....	137	115,773	52	43,712	205	234,149	122	74,063
\$5,000,000 under \$10,000,000.....	50	59,941	22	23,402	80	180,999	59	77,769
\$10,000,000 under \$20,000,000.....	25	45,513	16	76,342	32	141,324	23	47,218
\$20,000,000 or more.....	12	36,338	8	122,931	14	338,713	10	73,231

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	396	20,691	593	102,764	624	62,088	203	15,711
Size of net worth:								
Negative net worth ¹	1	1	--	--	--	--	--	--
\$1 under \$600,000.....	54	772	34	2,493	44	1,381	13	444
\$600,000 under \$1,000,000.....	173	7,198	197	16,371	247	14,399	82	4,348
\$1,000,000 under \$2,500,000.....	135	11,459	278	35,394	242	22,591	84	6,977
\$2,500,000 under \$5,000,000.....	22	825	50	14,028	56	12,482	17	1,768
\$5,000,000 under \$10,000,000.....	8	303	21	8,524	19	5,449	4	481
\$10,000,000 under \$20,000,000.....	2	85	8	7,180	11	3,336	2	525
\$20,000,000 or more.....	1	47	5	18,773	5	2,449	1	1,167

Footnotes at end of table.

Personal Wealth, 2001

Table 3.--Personal Wealth, 2001: Female Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property by Size of Net Worth--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds ²		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	820	62,969	3,193	351,329	2,320	262,638	613	164,389
Size of net worth:								
Negative net worth ¹	--	--	3	28	1	1	--	--
\$1 under \$600,000.....	88	3,212	551	20,713	317	10,931	81	9,081
\$600,000 under \$1,000,000.....	345	15,048	1,152	106,321	836	50,316	175	27,591
\$1,000,000 under \$2,500,000.....	289	19,937	1,132	132,673	860	93,032	240	46,001
\$2,500,000 under \$5,000,000.....	61	14,972	227	38,635	189	38,222	69	21,419
\$5,000,000 under \$10,000,000.....	22	3,140	80	18,325	72	29,431	24	25,430
\$10,000,000 under \$20,000,000.....	10	2,948	34	16,071	31	19,912	16	15,103
\$20,000,000 or more.....	5	3,712	15	18,563	13	20,793	8	19,764
Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	1,864	59,325	353	205,480	284	117,979	329	127,485
Size of net worth:								
Negative net worth ¹	6	298	1	24	1	415	--	--
\$1 under \$600,000.....	491	20,865	41	4,339	23	5,583	31	833
\$600,000 under \$1,000,000.....	686	17,222	77	13,122	81	24,166	66	4,408
\$1,000,000 under \$2,500,000.....	551	14,992	139	33,332	131	47,405	145	16,988
\$2,500,000 under \$5,000,000.....	87	3,139	46	39,882	29	14,098	45	12,112
\$5,000,000 under \$10,000,000.....	27	1,154	27	27,358	13	15,698	21	19,739
\$10,000,000 under \$20,000,000.....	13	574	15	32,857	4	5,038	14	17,629
\$20,000,000 or more.....	4	1,079	7	54,567	3	5,576	7	55,776
Size of net worth	Retirement assets ³		Art		Other assets			
	Number	Amount	Number	Amount	Number	Amount		
	(41)	(42)	(43)	(44)	(45)	(46)		
Total.....	2,450	654,358	125	39,832	3,033	189,086		
Size of net worth:								
Negative net worth ¹	2	21	--	--	6	102		
\$1 under \$600,000.....	476	96,719	15	197	536	14,048		
\$600,000 under \$1,000,000.....	886	159,144	14	144	1,060	31,985		
\$1,000,000 under \$2,500,000.....	844	250,872	49	2,094	1,076	47,180		
\$2,500,000 under \$5,000,000.....	156	79,807	18	1,406	224	23,682		
\$5,000,000 under \$10,000,000.....	55	40,009	13	2,518	82	24,234		
\$10,000,000 under \$20,000,000.....	22	13,253	9	2,503	34	11,986		
\$20,000,000 or more.....	8	14,534	7	30,970	15	35,870		

¹ Includes individuals with zero net worth.² Mutual funds with a single investment objective are grouped with similar direct investments in this table.³ Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

Personal Wealth, 2001

Table 4.--Personal Wealth 2001: Male Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property, by Age

[All figures are estimates based on samples--numbers are in thousands, money amounts are in thousands of dollars]

Age	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	3,953	8,890,276	3,050	890,738	3,954	7,999,538	2,893	887,979
Age								
Under 50.....	1,534	3,148,044	1,351	503,431	1,534	2,644,612	1,116	372,880
50 under 65.....	1,183	2,760,038	921	262,419	1,183	2,497,619	933	270,514
65 under 75.....	643	1,573,360	406	86,704	643	1,486,656	460	132,473
75 under 85.....	438	997,017	268	30,496	438	966,522	300	86,412
85 and older.....	155	411,817	103	7,688	155	404,129	84	25,700
Age	Investment real estate		Closely held stock		Other stocks		State and local bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,895	848,748	822	883,579	2,822	1,946,329	947	451,288
Age								
Under 50.....	619	259,990	356	337,051	1,040	680,832	208	146,040
50 under 65.....	656	307,553	281	326,319	866	493,987	248	105,095
65 under 75.....	369	174,543	124	135,458	456	323,478	197	70,267
75 under 85.....	193	83,033	49	70,736	336	265,432	204	82,826
85 and older.....	58	23,628	12	14,015	124	182,600	90	47,060
Age	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	471	14,227	475	135,232	531	61,662	174	12,541
Age								
Under 50.....	156	1,299	121	47,445	124	16,566	50	5,299
50 under 65.....	148	3,271	123	32,854	143	17,769	48	2,795
65 under 75.....	81	3,855	93	17,730	119	12,282	31	1,638
75 under 85.....	64	4,001	100	26,946	103	10,602	32	1,854
85 and older.....	22	1,803	38	10,257	42	4,443	13	954

Footnotes at end of table.

Personal Wealth, 2001

Table 4.--Personal Wealth 2001: Male Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property, by Age--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Diversified mutual funds ¹		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	796	78,572	3,744	485,476	2,337	320,619	842	215,185
Age								
Under 50.....	263	20,882	1,442	207,603	810	126,357	293	76,270
50 under 65.....	254	37,469	1,122	112,242	729	90,132	249	61,180
65 under 75.....	136	9,981	611	71,585	392	50,910	170	47,084
75 under 85.....	104	6,991	421	64,523	302	37,990	102	24,707
85 and older.....	39	3,249	148	29,523	104	15,231	28	5,944

Age	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	3,072	198,673	698	440,794	442	238,942	418	281,092
Age								
Under 50.....	1,231	80,707	323	187,323	117	78,402	137	114,664
50 under 65.....	967	79,503	207	125,140	149	73,041	126	74,810
65 under 75.....	476	24,099	105	76,004	89	45,112	82	64,909
75 under 85.....	305	11,309	50	42,406	66	33,309	58	21,399
85 and older.....	92	3,054	14	9,921	21	9,077	15	5,311

Age	Retirement assets ²		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total.....	3,091	1,147,780	110	21,083	3,516	220,478
Age						
Under 50.....	1,182	282,475	35	5,371	1,342	100,588
50 under 65.....	1,003	477,608	41	6,026	1,072	62,731
65 under 75.....	540	272,678	18	4,844	586	34,433
75 under 85.....	307	102,456	11	3,389	389	16,697
85 and older.....	60	12,563	4	1,454	127	6,030

¹ Mutual funds with a single investment objective are grouped with similar direct investments in this table.² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

Personal Wealth, 2001

Table 5.--Personal Wealth 2001: Female Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property, by Age

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

Age	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	3,404	6,291,628	2,633	457,576	3,404	5,834,052	2,592	902,607
Age								
Under 50.....	1,034	1,729,592	871	251,843	1,034	1,477,749	785	321,778
50 under 65.....	1,028	2,086,151	818	138,603	1,028	1,947,548	866	308,483
65 under 75.....	609	1,138,054	422	38,573	609	1,099,480	502	146,184
75 under 85.....	502	899,508	342	21,871	502	877,638	331	93,923
85 and older.....	230	438,323	180	6,686	230	431,637	109	32,239
Age	Investment real estate		Closely held stock		Other stocks		State and local bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total.....	1,558	635,060	357	345,078	2,653	1,546,183	1,127	426,579
Age								
Under 50.....	387	144,581	120	105,878	794	417,211	169	62,295
50 under 65.....	593	263,592	140	174,361	777	413,818	302	115,225
65 under 75.....	292	122,435	52	34,839	499	281,582	272	93,372
75 under 85.....	215	80,383	36	21,812	398	270,512	264	100,347
85 and older.....	71	24,070	10	8,188	184	163,060	120	55,340
Age	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total.....	396	20,691	593	102,764	624	62,088	203	15,711
Age								
Under 50.....	70	1,048	113	20,439	111	17,318	48	3,925
50 under 65.....	103	1,587	151	18,693	184	14,916	53	4,313
65 under 75.....	96	6,929	139	27,672	129	9,392	47	3,512
75 under 85.....	92	8,510	123	19,871	138	13,951	36	2,141
85 and older.....	35	2,617	67	16,089	61	6,512	19	1,819

Footnotes at end of table.

Personal Wealth, 2001

Table 5.--Personal Wealth 2001: Female Top Wealth Holders with Gross Assets of \$675,000 or More, Type of Property, by Age--Continued

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

All figures are estimates based on samples. Numbers are in thousands; money amounts are in millions of dollars.

Age	Diversified mutual funds ¹		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total.....	820	62,969	3,193	351,329	2,320	262,638	613	164,389
Age								
Under 50.....	247	20,774	924	62,278	702	74,399	183	74,508
50 under 65.....	266	22,059	975	87,616	683	74,873	176	43,009
65 under 75.....	138	8,442	582	73,594	423	51,562	126	24,368
75 under 85.....	117	7,570	490	80,063	351	40,308	95	16,899
85 and older.....	52	4,125	223	47,778	160	21,496	34	5,604

Age	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	1,864	59,325	353	205,480	284	117,979	329	127,485
Age								
Under 50.....	706	29,041	117	60,484	38	14,292	81	24,525
50 under 65.....	616	18,779	131	78,550	105	39,706	104	67,566
65 under 75.....	256	5,819	51	30,465	61	26,866	78	16,816
75 under 85.....	212	4,117	42	27,886	50	23,625	49	12,163
85 and older.....	74	1,569	13	8,096	29	13,491	17	6,415

Age	Retirement assets ²		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total.....	2,450	654,358	125	39,832	3,033	189,086
Age						
Under 50.....	794	203,821	35	3,215	918	67,783
50 under 65.....	842	244,670	49	28,448	935	65,887
65 under 75.....	467	141,726	21	4,267	567	28,215
75 under 85.....	283	54,093	14	2,082	433	19,252
85 and older.....	64	10,048	7	1,819	182	7,948

¹ Mutual funds with a single investment objective are grouped with similar direct investments in this table.² Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

Personal Wealth, 2001

Table 6.--2001 Top Wealth Holders with Net Worth of \$1 Million or More, Net Worth and Selected Assets, by State of Residence ¹

[All figures are estimates based on samples--numbers are in thousands, money amounts are in millions of dollars]

	Net worth		Financial assets ²		All real estate		All other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	3,510	11,275,755	3,506	9,611,914	3,085	2,207,780	3,241	1,557,880
State of residence:								
Alabama.....	35	88,579	35	80,870	30	16,131	34	8,480
Alaska.....	6	15,689	6	13,369	5	3,103	6	1,895
Arizona.....	45	152,533	45	127,553	40	27,363	45	22,883
Arkansas.....	22	58,856	22	44,568	20	14,029	21	11,340
California.....	572	1,940,734	571	1,496,938	522	608,229	543	266,870
Colorado.....	59	267,715	59	259,455	48	37,457	56	29,816
Connecticut.....	83	322,668	83	246,932	77	71,085	78	31,940
Delaware.....	11	30,846	11	23,561	11	6,690	11	3,430
District of Columbia.....	11	38,063	11	29,525	10	8,773	11	3,481
Florida.....	249	837,498	249	729,526	227	158,231	234	91,980
Georgia.....	86	220,277	86	184,022	80	44,333	82	32,511
Hawaii.....	13	29,387	13	16,124	12	15,928	11	1,677
Idaho.....	13	34,559	13	30,517	13	8,507	13	3,926
Illinois.....	185	522,196	185	462,905	153	88,951	165	59,866
Indiana.....	53	128,883	53	117,063	45	15,261	48	19,323
Iowa.....	32	60,127	32	52,598	27	7,507	31	10,985
Kansas.....	28	62,142	28	52,953	22	8,578	23	8,355
Kentucky.....	26	65,622	26	60,655	23	7,069	24	11,157
Louisiana.....	34	89,790	34	79,174	31	13,881	34	14,347
Maine.....	12	26,130	12	27,041	10	5,112	11	1,338
Maryland.....	69	186,861	69	164,539	59	30,213	60	21,285
Massachusetts.....	105	455,761	105	407,759	90	81,189	97	45,635
Michigan.....	88	237,762	88	225,432	73	36,456	82	25,596
Minnesota.....	60	180,335	60	158,195	53	34,561	58	23,750
Mississippi.....	11	32,457	11	28,695	10	4,366	11	7,614
Missouri.....	58	155,805	58	154,981	50	23,150	53	20,320
Montana.....	11	29,836	11	24,031	9	5,044	11	6,164
Nebraska.....	14	66,470	14	81,015	11	3,540	14	13,598
Nevada.....	26	97,954	26	66,973	24	24,482	24	21,915
New Hampshire.....	17	42,208	17	35,654	12	5,749	15	3,344
New Jersey.....	178	579,085	178	487,555	165	102,427	153	61,128
New Mexico.....	18	47,827	18	46,796	15	8,059	18	3,841
New York.....	317	1,315,450	316	1,030,640	276	244,759	268	240,804
North Carolina.....	83	266,524	83	210,248	79	43,583	77	50,539
North Dakota.....	5	8,831	5	8,147	3	616	5	1,125
Ohio.....	114	328,870	114	298,077	91	39,468	100	33,416
Oklahoma.....	22	106,653	22	97,099	19	6,041	21	25,832
Oregon.....	41	111,321	41	97,612	32	24,189	39	16,144
Pennsylvania.....	135	372,109	135	337,839	109	50,678	117	49,320
Rhode Island.....	13	28,121	13	25,183	13	6,123	11	1,879
South Carolina.....	40	110,356	40	93,843	36	23,234	40	13,458
South Dakota.....	10	20,185	10	12,762	8	4,157	10	6,610
Tennessee.....	49	141,637	49	118,835	46	21,848	48	24,446
Texas.....	182	577,967	182	518,731	164	77,124	177	102,036
Utah.....	14	38,342	13	21,852	13	5,648	14	15,654
Vermont.....	3	9,355	3	7,942	3	2,709	3	726
Virginia.....	94	229,300	94	196,234	85	47,544	88	26,041
Washington.....	73	257,268	73	264,275	64	50,054	73	34,002
West Virginia.....	10	29,580	10	35,777	9	2,360	10	2,420
Wisconsin.....	54	165,763	54	169,187	48	22,819	50	18,725
Wyoming.....	7	24,221	7	25,145	5	2,789	6	2,853
Other areas ³	9	29,251	9	25,512	7	6,579	8	2,058

¹ While the size of the underlying sample of estate tax returns makes estimates of wealth derived using the estate multiplier technique fairly robust, estimates of wealth by State can be subject to significant year-to-year fluctuations. This is especially true for individuals at the extreme tail of the net worth distribution and for States with relatively small decedent populations.

² Includes all stocks, bonds, mutual funds, cash, cash management accounts, retirement assets, and life insurance.

³ Includes U.S. territories and possessions.

Personal Wealth, 2004

by Brian G. Raub

In 2004, there were an estimated 2.7 million adults with gross assets of \$1.5 million or more, the Federal estate tax filing threshold for decedents from that year. In total, these top wealth holders owned nearly \$11.1 trillion in assets. After accounting for debts and mortgages of \$850.1 billion, these individuals had a combined net worth of over \$10.2 trillion. Although top wealth holders made up only about 1.2 percent of the total U.S. adult population, they held 20.3 percent of the total U.S. net worth in 2004.^{1,2}

Background

The distribution and composition of personal wealth in the United States are topics of great interest among researchers and policy planners. Unfortunately, these issues are difficult to research, since there are few sources of data on the wealth holdings of the general population, especially the very rich. Federal estate tax returns (Form 706) provide a unique source from which to study the nation's wealthiest individuals.

The estate tax return contains a complete listing of a decedent's assets and debts, as well as a demographic profile of the decedent and information on the costs of administering the estate. A decedent's estate has up to 9 months to file an estate tax return, but use of a 6-month extension is common. It is, therefore, necessary to combine returns filed over a number of calendar years in order to capture data representative of all estate tax decedents dying in a single year.

The estate multiplier technique is used to estimate the wealth of living individuals from Federal estate tax return data. The fundamental assumption underlying this methodology is that estate tax returns filed for decedents who died in a particular year represent a random sample, designated by death, of the living population in that year. Estimates of the wealth holdings of the living population are derived

by applying a multiplier, based on appropriate mortality rates, to this sample.

Valuation Measures

The level of wealth to which these estimates apply is \$1.5 million or more in gross assets, the Federal estate tax filing threshold in effect for 2004 U.S. decedents. Gross assets as defined here are a Federal estate tax concept of wealth that does not conform to usual definitions of wealth. Therefore, three measures of wealth are used in this article: gross assets, total assets, and net worth.

Gross assets reflect the gross value of all assets, including the full face value of life insurance, reduced by the value of any policy loans, but excluding any reduction for other indebtedness or for special valuation of some real estate. This measure defines the individuals included in the top wealth holder group.

Total assets are a lower wealth value, but still essentially a gross measure. They differ from gross assets in that the cash, or equity, value of life insurance (i.e., the value of insurance immediately before the policyholder's death) replaces the "at death" value of life insurance included in gross assets.³

Total assets are the valuation concept on which all the analyses in this article are based. Net worth is total assets minus debts.

Demographic Characteristics

Of the 2.7 million individuals in 2004 who had gross assets of at least \$1.5 million, almost 1.6 million, or 57 percent, were men. As shown in Figure A, these male top wealth holders could be divided roughly into thirds by age, with one-third under 50, one-third 50 but not yet 65, and the other third 65 and older.

Female top wealth holders, who accounted for 43 percent of the total, had a significantly different age distribution. While the percentage of female top wealth holders ages 50 under 75 was nearly identical to that of their male counterparts, only about 26 percent were under 50. In contrast, individuals 75 and older made up a larger percentage of female top wealth holders than male top wealth holders.

Brian G. Raub is an economist with the Special Studies Special Projects Section. This article was prepared under the direction of Barry Johnson, Special Studies Branch Chief.

¹ Estimate of the adult population of the United States in 2004 was obtained from U.S. Bureau of the Census at <http://www.census.gov/popest/states/asrh/SC-est2004-01.html>.

² Estimate of the total net worth of the United States was obtained from household estimates derived from the Board of Governors of the Federal Reserve System's Survey of Consumer Finances (SCF), found in Kennickell, Arthur B. (2006), "Currents and Undercurrents: Changes in the Distribution of Wealth, 1989-2004," <http://www.federalreserve.gov/pubs/feds/2006/200613/200613pap.pdf>.

³ Estimates of the equity value of life insurance included in total assets were approximated, based on the face value reported on Federal estate tax returns and on the decedent's age. A ratio of the equity value to the face value was developed, using data from wealthy respondents to the 2004 Board of Governors of the Federal Reserve System's Surveys of Consumer Finances (SCF). A simple regression was used to predict the values used in the Statistics of Income estimates.

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As shown in Figure B, the marital status of top wealth holders also varied considerably by sex. While a large majority of wealthy males, 70.5 percent, was married, only about half of their female counterparts had this marital status. Similarly, a higher percentage of wealthy males was single compared to female top wealth holders. In contrast, nearly one-quarter of women were widowed compared to only 6.8 percent of men.

Figure A

Top Wealth Holders: Age, by Sex, 2004 [1]

[Numbers are in thousands]

Age	Males	Percentage	Females	Percentage
	(1)	(2)	(3)	(4)
Total	1,555	100.0	1,173	100.0
Under 50	504	32.4	303	25.8
50 under 65	541	34.8	410	35.0
65 under 75	269	17.3	210	17.9
75 under 85	174	11.2	169	14.4
85 and older	66	4.2	81	6.9

[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

NOTE: Detail may not add to totals because of rounding.

Figure B

Top Wealth Holders: Marital Status, by Sex, 2004 [1]

[Numbers are in thousands]

Age	Males	Percentage	Females	Percentage
	(1)	(2)	(3)	(4)
Total	1,555	100.0	1,173	100.0
Married	1,096	70.5	610	52.0
Widowed	105	6.8	281	24.0
Single	220	14.1	129	11.0
Other [2]	134	8.6	153	13.0

[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

[2] Includes individuals who were separated or divorced or those for whom marital status could not be determined.

NOTE: Detail may not add to totals because of rounding.

Asset Portfolios

As shown in Figure C, the portfolio composition for male top wealth holders varied considerably by size of net worth. Real estate, including personal resi-

dences, was the most dominant portfolio component for those with net worth under \$1.5 million, but made up a significantly smaller portion of the portfolio of their wealthier counterparts.

While male top wealth holders with net worth of less than \$1.5 million held 40.6 percent of their portfolio in real estate, including the personal residence, for men with net worth of \$10 million or more, this portion was only 12.6 percent. The pattern was similar for retirement assets, including Individual Retirement Accounts (IRAs), annuities, and self-employed or Keogh plans, which accounted for over 15.0 percent of the portfolio of male top wealth holders with net worth under \$10 million but only 4.0 percent for men with net worth of \$10 million or more.

In contrast, equities, including closely held and publicly traded stock, made up a larger portion of the portfolios of wealthier men relative to their younger counterparts. While these assets accounted for 14.9 percent of the portfolio of top wealth holders with net worth under \$1.5 million, they made up more than twice this percentage, 40.9 percent, in the portfolio of individuals with net worth of \$10 million or more. This result is consistent with academic research demonstrating that wealthier investors allocate a greater share of their financial assets to equity investments.⁴

Figure D shows that the portfolio holdings for female top wealth holders were similar to those of males, although several differences are notable. In each wealth category, female top wealth holders held proportionately more of their assets in personal residences and publicly traded stock than their male counterparts, and less in closely held stock and business assets, including noncorporate businesses, farms, and limited partnerships.

For individuals with net worth of \$10 million or more, men and women held a nearly identical percentage of their portfolios in equities, about 40 percent, although the allocation between publicly traded stock and closely held stock was quite different for men than for women. While men in this top wealth category split their equity holdings nearly evenly, 52 percent in publicly traded stock and 48 percent in closely held stock, their female counterparts held 77 percent of their stock holdings in publicly traded companies compared to only 23 percent in closely held companies.

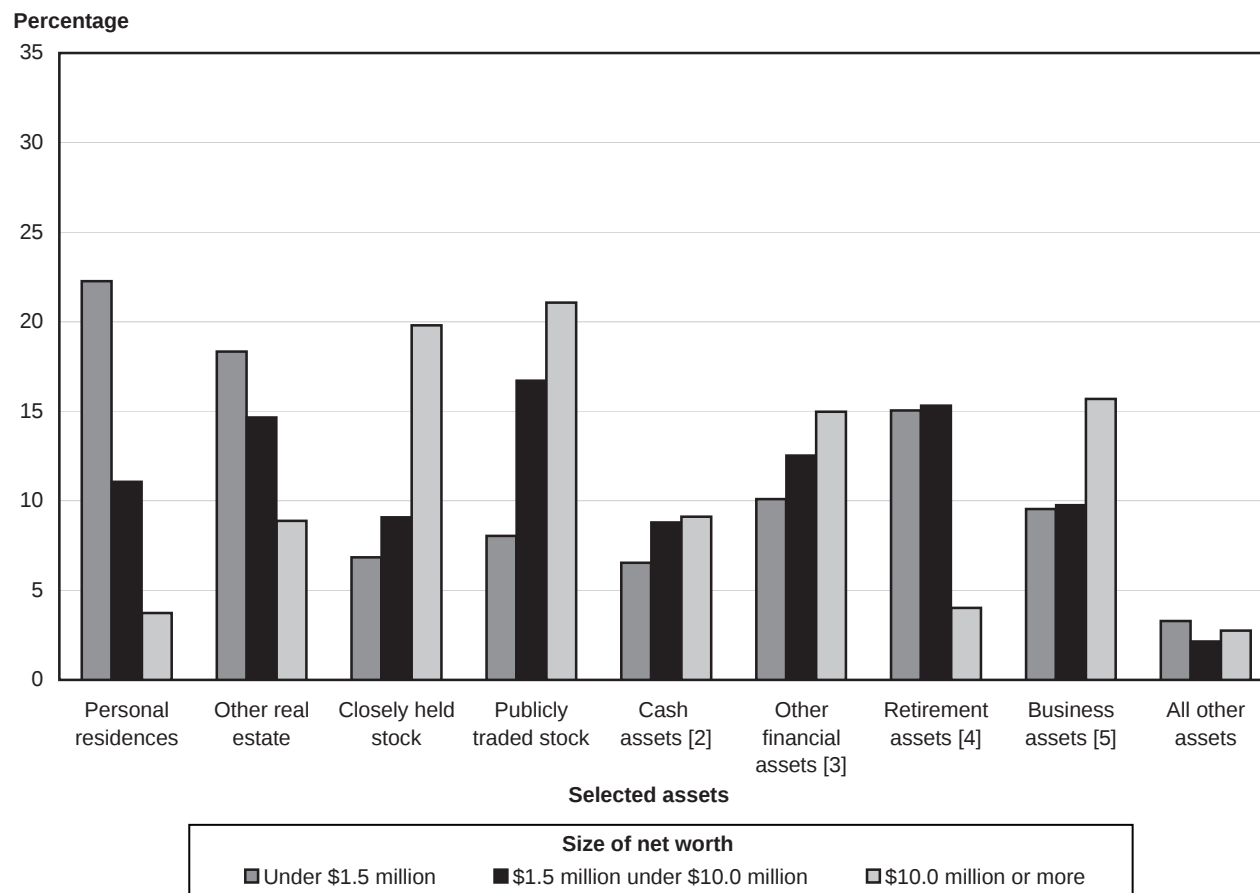
⁴ See, for example, Ackert, Lucy F. et al. (2002), "The Asset Allocation Decision and Investor Heterogeneity: A Puzzle?" *Journal of Economic Behavior and Organization*, Volume 47, pp. 423-433.

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Figure C

Male Top Wealth Holders: Selected Assets as a Percentage of Total Assets, by Size of Net Worth, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

[2] Includes cash and cash management accounts.

[3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.

[4] Includes Individual Retirement Accounts, annuities, and self-employed or Keogh plans.

[5] Includes noncorporate businesses, farms, and limited partnerships.

Some of the differences between the asset portfolios of male and female top wealth holders can be attributed to the differing age distributions of the two groups. For example, as mentioned above, male top wealth holders in each net worth category held a higher percentage of their portfolios in closely held stock relative to females. Some of this disparity, however, is due to the fact that the age distribution of female top wealth holders is skewed more toward the older age categories than is true for males, as shown in Figure A. As shown in Figures E and F, top wealth holders 65 and older held a markedly lower percentage of their portfolios in closely held stock than their

younger counterparts, although, in each age category, men held proportionately more than women.

In general, the differences in portfolio composition between age groups are not as large as the differences between wealth groups shown above. Even so, several patterns based on age can be observed. For both male and female top wealth holders, personal residences and closely held stock accounted for a smaller percentage of the portfolio held by older individuals than that of their younger counterparts.

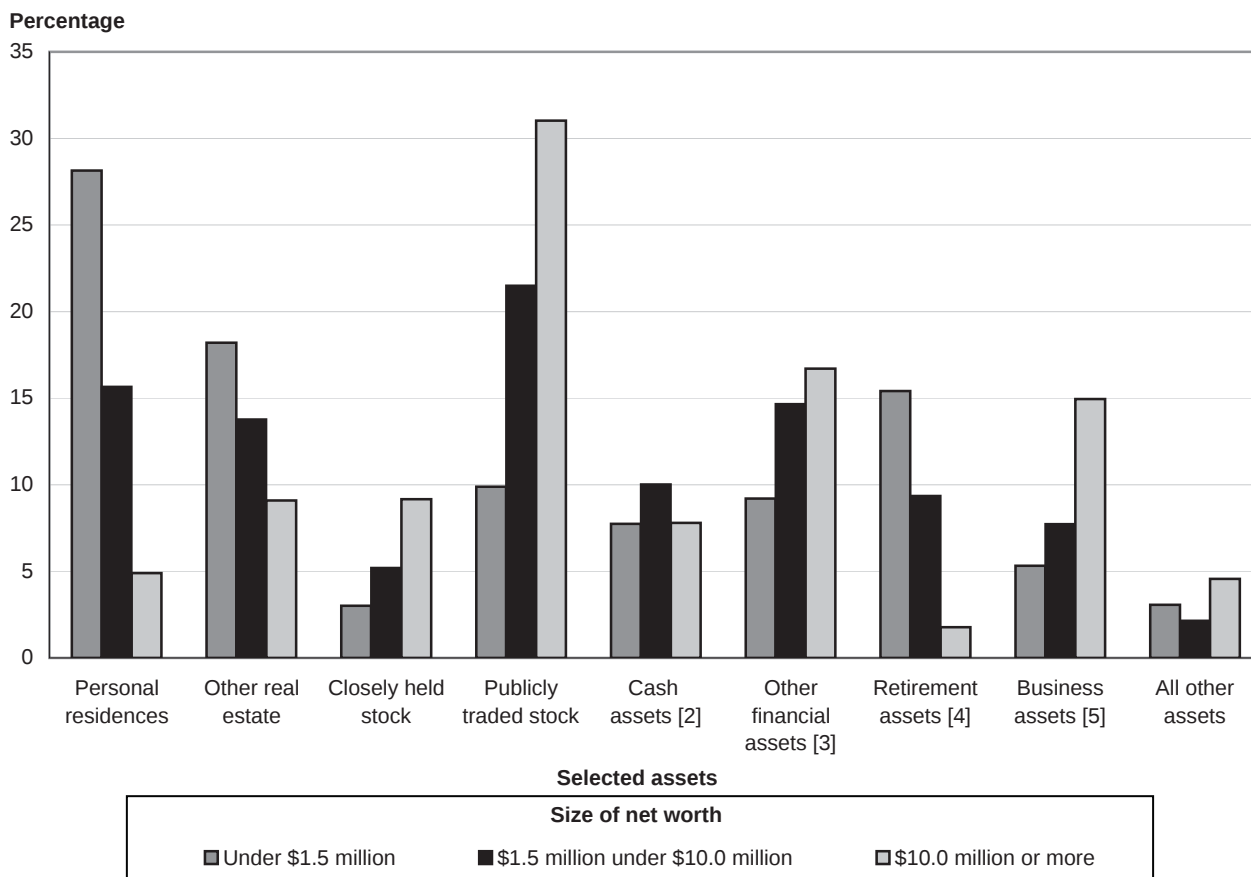
In contrast, for both genders, the percentage of the portfolio held in publicly traded stock was lowest for individuals 50 under 65 but highest for those

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Figure D

Female Top Wealth Holders: Selected Assets as a Percentage of Total Assets, by Size of Net Worth, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

[2] Includes cash and cash management accounts.

[3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.

[4] Includes Individual Retirement Accounts, annuities, and self-employed or Keogh plans.

[5] Includes noncorporate businesses, farms, and limited partnerships.

65 and older, although, in each age category, women held more proportionately more than men. Taken as a whole, Figures C through F show that the portfolio allocation of top wealth holders in 2004 reflected preferences based on, age, gender, and wealth level.

Debts and Mortgages

Figure G shows the debts and mortgages of top wealth holders in 2004 as a percentage of total assets, by sex and age. Two main trends can be observed. First, the debt-to-assets ratio for both men and women was significant lower for older top

wealth holders than for their younger counterparts. This is consistent with the economic theory which predicts that individuals will take on greater debt early in their working lives in order to finance a desired lifestyle.⁵

Although data are not available separately on holdings of mortgage debt, much of the difference in overall debt-to-assets ratios between age groups is likely related to mortgage debt held on primary residences. Data collected as part of the Federal Reserve Board's Survey of Consumer Finances demonstrate that families headed by younger individuals are much

⁵ See, for example, Modigliani, Franco (1986), "Life Cycle, Individual Thrift, and the Wealth of Nations," *American Economic Review*, Volume 68, pp. 547-560.

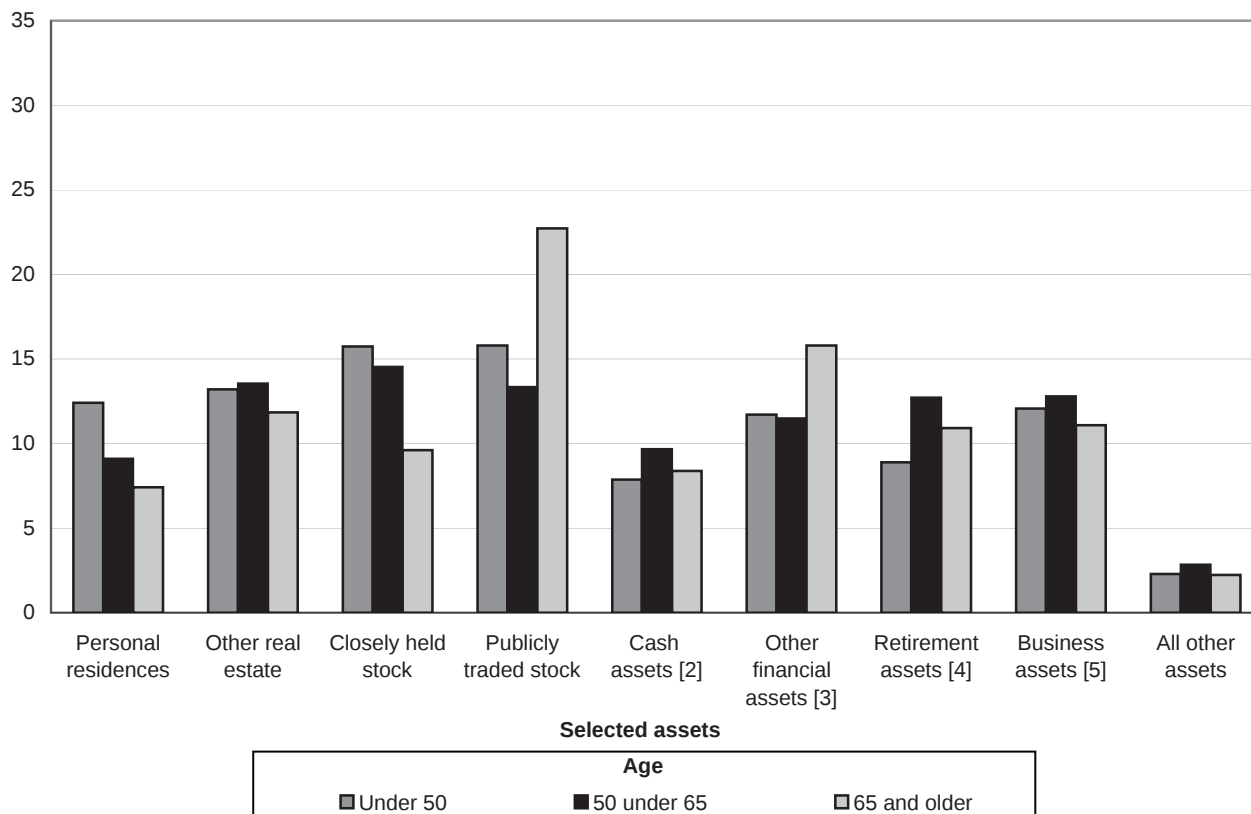
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Figure E

Male Top Wealth Holders: Selected Assets as a Percentage of Total Assets, by Age, 2004 [1]

Percentage



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

[2] Includes cash and cash management accounts.

[3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.

[4] Includes Individual Retirement Accounts, annuities, and self-employed or Keogh plans.

[5] Includes noncorporate businesses, farms, and limited partnerships.

more likely to hold mortgage debt on residential property, and have considerably higher average mortgage balances when present, than families headed by older individuals.⁶

The second main trend that can be observed in Figure G is that female top wealth holders in each category had a significantly lower debt-to-assets ratio than their male counterparts. The relative difference in the ratios between genders was largest for top wealth holders under age 50, where the debt-to-assets ratio for men was 17.7 percent, compared to 10.1 percent for women.

Net Worth

Net worth, defined as total assets minus mortgages and other debts, is a subject of interest among researchers and the general public because, relative to total assets, it represents a more complete picture of an individual's financial position. The 2.7 million top wealth holders in 2004 held a combined \$10.2 trillion in net worth, for an average of over \$3.7 million.

Figure H, however, reveals that the average net worth of these individuals varied considerably by age and sex. For both male and female top wealth holders, average net worth for older individuals was high-

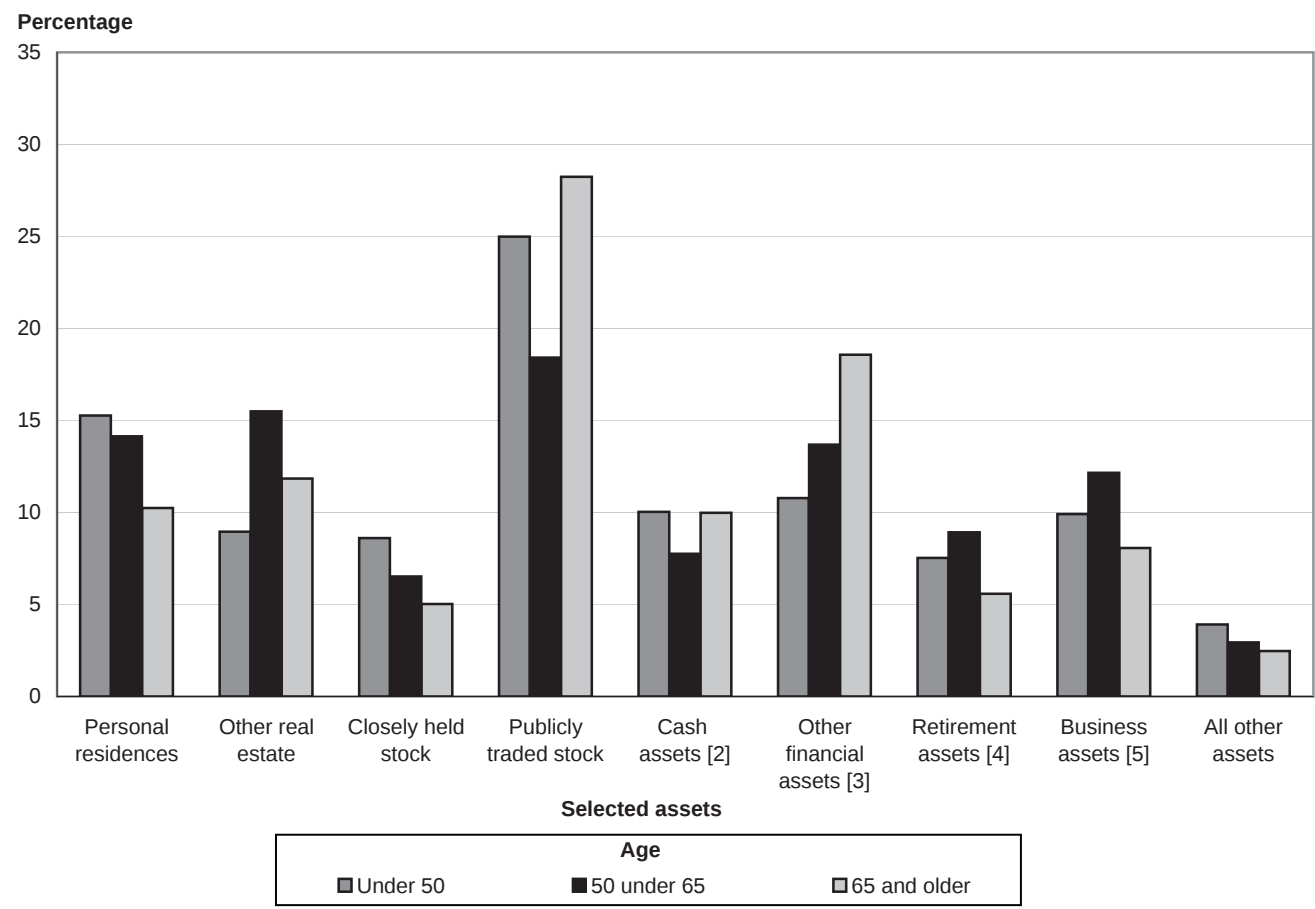
⁶ See Bucks, Brian K.; Arthur B. Kennickell; and Kevin B. Moore, "Recent Changes in U.S. Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances," Federal Reserve Board of Governors, <http://www.federalreserve.gov/PUBS/oss/oss2/2004/bull0206.pdf>.

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Figure F

Female Top Wealth Holders: Selected Assets as a Percentage of Total Assets, by Age, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.
 [2] Includes cash and cash management accounts.
 [3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.
 [4] Includes Individual Retirement Accounts, annuities, and self-employed or Keogh plans.
 [5] Includes noncorporate businesses, farms, and limited partnerships.

er than it was for younger individuals. Additionally, the youngest male top wealth holders, those under 50, had a lower average net worth than their female counterparts, but, in each of the other age groups, men had a higher average net worth than women.

Male top wealth holders under 50 had the lowest average net worth, \$2.5 million, trailing females in this age group, who had an average net worth of \$3.1 million. Male top wealth holders 75 under 85 had an average net worth of \$5.3 million, more than twice that of their under-50 counterparts and virtually identical to the \$5.2 million average for men 85 and older. Women 75 under 85 had an average net worth

of \$4.3 million, just below the average for women 85 and older, \$4.4 million.

As shown in Figure H, a large part of the difference between the average net worth of male and female top wealth holders under 50 is attributable to the fact that men held more debt, as seen by the gap between total assets and net worth. For top wealth holders 65 and older, who held less debt than their younger counterparts, the gap between total assets and net worth is substantially smaller.

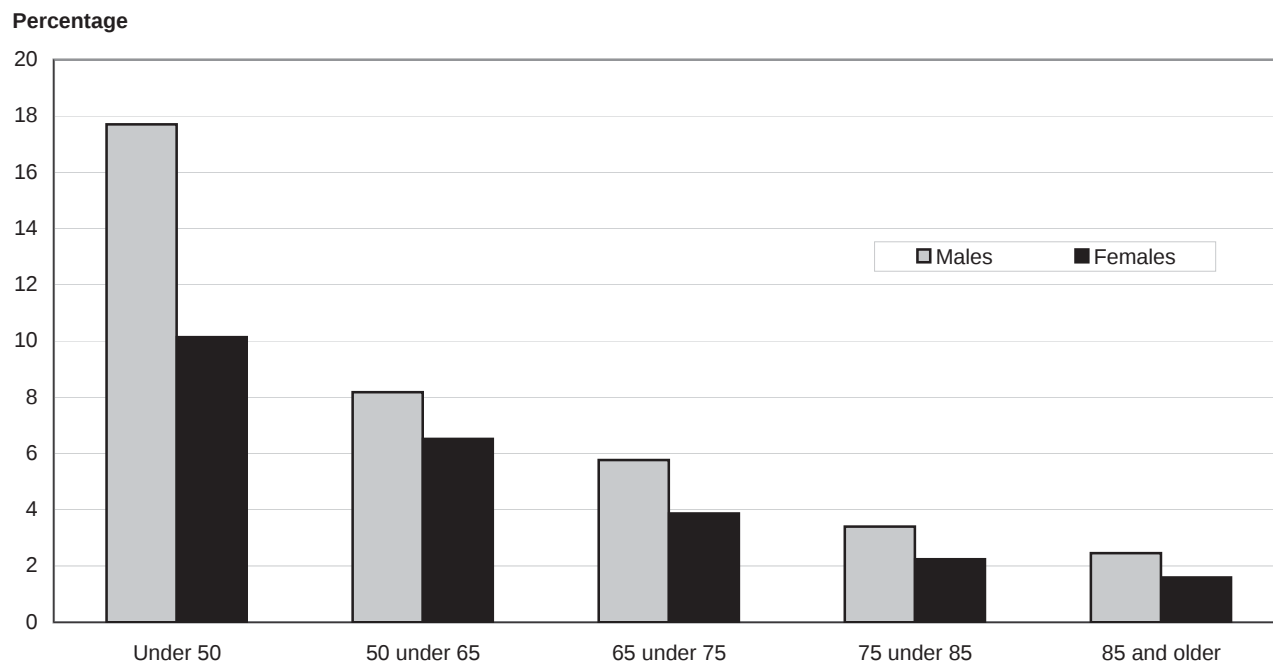
For highly skewed distributions, the median is often a better summary measure than the average since the median is less affected by outliers in a

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Figure G

Top Wealth Holders: Debt and Mortgages as a Percentage of Total Assets, by Sex and Age, 2004 [1]



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

population. As shown in Figure H, the median net worth of top wealth holders showed considerably less variation by age and sex than the average, and the differences in net worth between men and women were smaller.

The median net worth for wealthy males ranged from \$1.6 million for those under 50 to \$2.4 million for those 75 under 85. For wealthy females, the median showed even less variation by age, with the smallest median, \$2.0 million for those under 50, only 19 percent lower than the largest median, \$2.3 million for those 85 and older.

Taken together, the average and median net worth and total asset distributions by age and sex show that the averages are significantly impacted by relatively few extremely wealthy individuals, particularly for male top wealth holders. This relationship can also be seen in the percentile distribution of wealth for top wealth holders by sex, shown in Figure I.

For values below the 25th percentile, female net worth values dominate those for males, while, at the 90th percentile and above, male net worth values dominate. The net worth distribution for men and women between the 25th and 90th percentiles was very similar. While not included in Figure I, the left tail of the net worth distribution for males dips much lower (larger negative values) for points below the 1st percentile than for females.

State Data

Figure J shows the States with the largest number of individuals with net worth of \$1.5 million or more.⁷ California, the nation's most populous State in 2004, also had the largest number of residents with net worth of at least \$1.5 million, 428,000.⁸ In fact, the State was home to 19.5 percent of all such residents, despite accounting for only 11.9 percent of the U.S. adult population. Florida, with 6.1 percent of the

⁷ While the size of the underlying sample of estate tax returns makes estimates of wealth derived using the estate multiplier technique fairly robust, estimates of wealth by State can be subject to significant year-to-year fluctuations. This is especially true for individuals at the extreme tail of the net worth distribution and for States with relatively small decedent populations.

⁸ U.S. Census Bureau, 2004.

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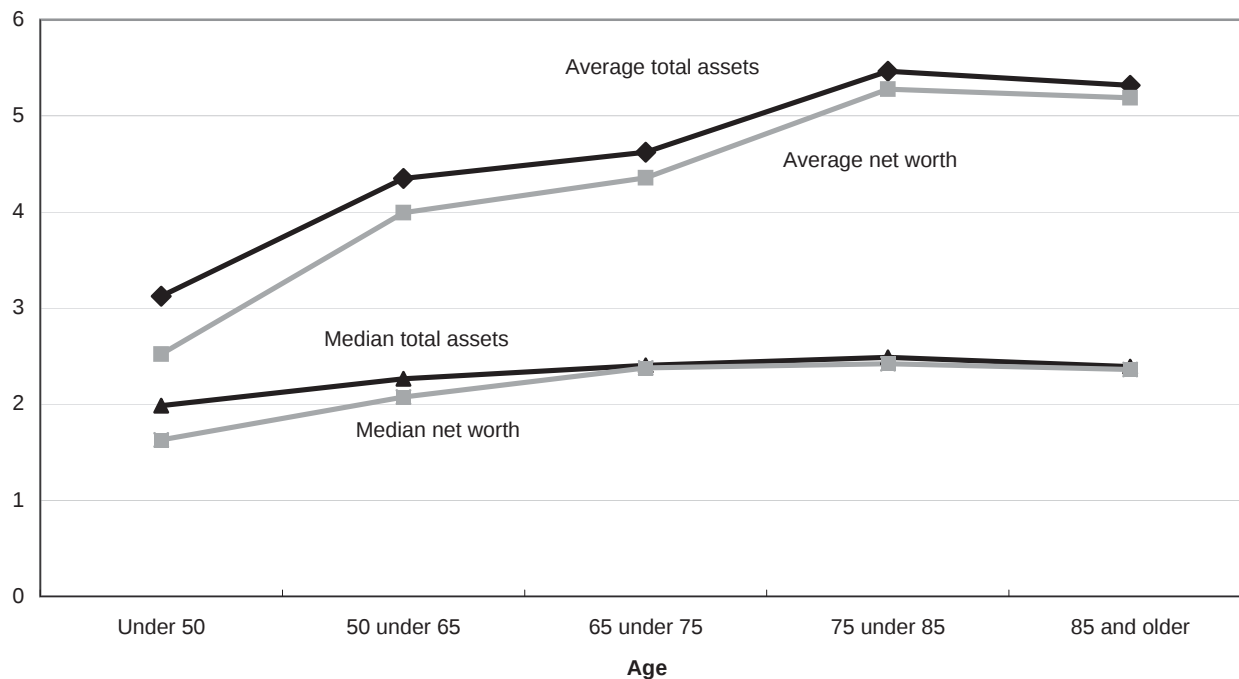
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Figure H

Top Wealth Holders: Average and Median Total Assets and Net Worth, by Sex and Age, 2004 [1]

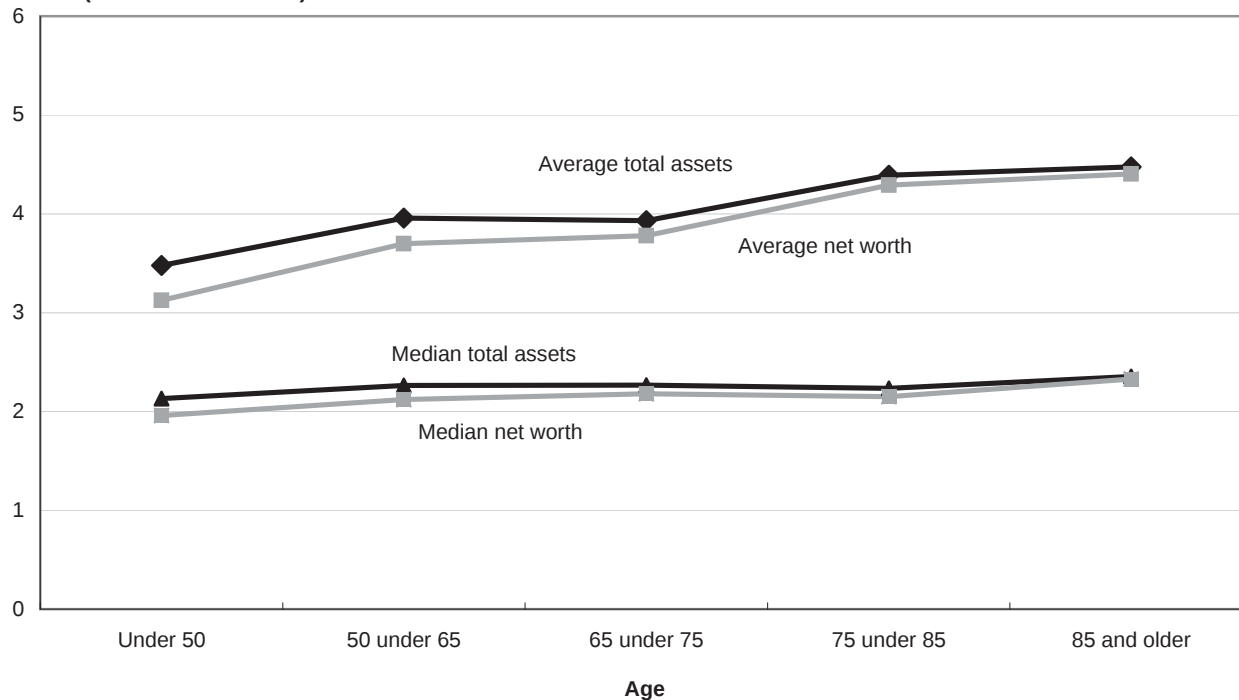
Value (in millions of dollars)

Males



Value (in millions of dollars)

Females



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

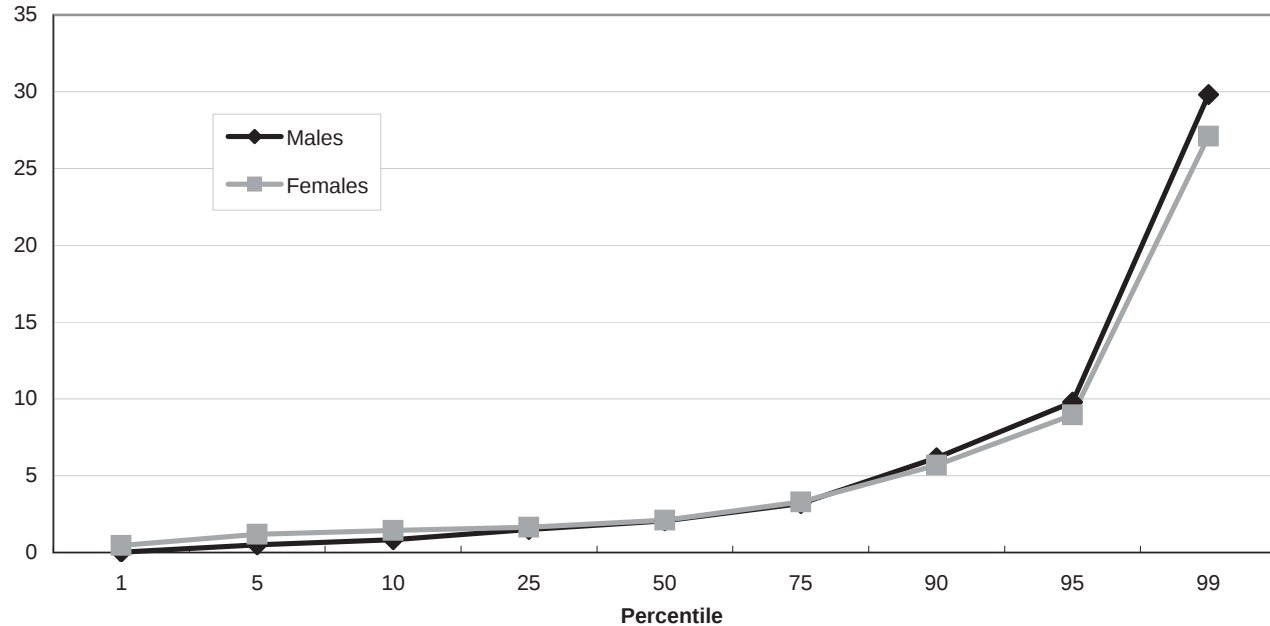
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Figure I

Top Wealth Holders, by Sex, Net Worth Distribution, 1st-99th Percentiles, 2004 [1]

Net worth (in millions of dollars)



[1] Top wealth holders are defined as individuals with gross assets of at least \$1.5 million.

Figure J

States with the Largest Number of Residents with Net Worth of \$1.5 Million or More, 2004

[Numbers are in thousands]

State	Number of residents with net worth of \$1.5 million or more	Total adult population [1]	Percentage of adult population
	(1)	(2)	(3)
California	428	26,297	1.6
Florida	199	13,394	1.5
New York	168	14,655	1.1
Texas	108	16,223	0.7
Illinois	101	9,475	1.1
Pennsylvania	86	9,569	0.9
Massachusetts	83	4,952	1.7
New Jersey	79	6,543	1.2
Ohio	61	8,680	0.7
North Carolina	59	6,423	0.9

[1] Statistics on U.S. population in 2004, by State, were obtained from the U.S. Bureau of the Census, available online at <http://www.census.gov/popest/states>.

NOTE: Detail may not add to totals because of rounding.

U.S. adult population, had the second-largest number of residents with net worth of at least \$1.5 million, 199,000, which accounted for 9.1 percent of the total. New York had the third largest number of residents with net worth of at least \$1.5 million, 168,000, or 7.7 percent of the total, but was home to only 6.6 percent of the total U.S. adult population.

The fact that a disproportionate share of the very wealthy lived in California, Florida, and New York is reflected in Figure K, which shows that each of these three States ranked in the top ten in concentration of residents with net worth of at least \$1.5 million. Ranking by concentration eliminates distortions caused by the widely varied populations of the States. Using this measure, Connecticut ranked first with the highest per capita number of residents with net worth of at least \$1.5 million, 1.8 percent. Two of the smallest States in terms of population, Wyoming and Delaware, as well as the District of Columbia, were also in the top ten. In addition to California, Florida, and New York, two other States—Massachusetts and New Jersey—ranked in

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Figure K

States with the Highest Concentration of Residents with Net Worth of \$1.5 Million or More, 2004

[Numbers are in thousands]

State	Number of residents with net worth of \$1.5 million or more	Total adult population [1]	Percentage of adult population
	(1)	(2)	(3)
Connecticut	47	2,665	1.8
Massachusetts	83	4,952	1.7
California	428	26,297	1.6
District of Columbia	7	444	1.6
Florida	199	13,394	1.5
Wyoming	5	390	1.3
Delaware	8	637	1.3
New Jersey	79	6,543	1.2
Maryland	50	4,163	1.2

[1] Statistics on U.S. population in 2004, by State, were obtained from the U.S. Bureau of the Census, available online at <http://www.census.gov/popest/states>.

NOTE: Detail may not add to totals because of rounding.

the top ten in both the number of residents with net worth of at least \$1.5 million and the per capita number of these residents.

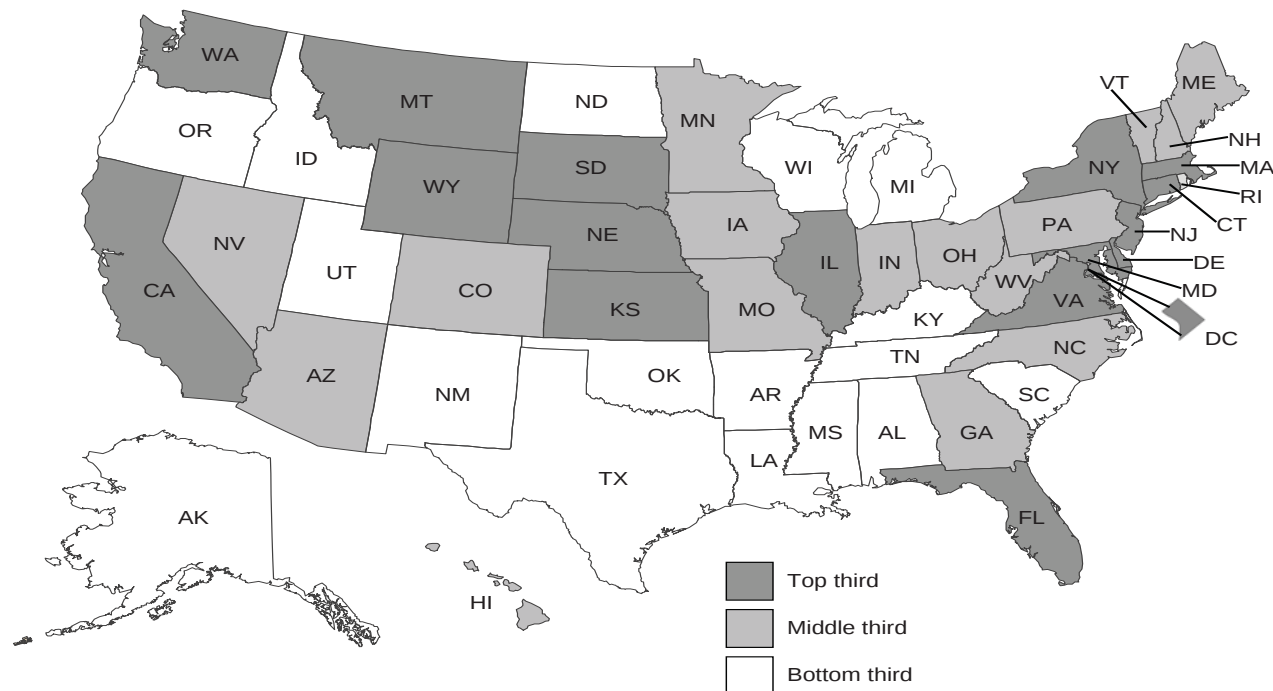
The concentration of residents with at least \$1.5 million in net worth, by State, is shown geographically in Figure L. This figure separates the States (including the District of Columbia) into three groups by per capita number of residents with net worth of at least \$1.5 million. It is interesting to note that the States in the top third, those with the highest number of wealth holders per capita, were geographically distributed fairly evenly across the four major regions of the United States—Northeast, South, Midwest, and West—with four top-third States in each region.⁹

Top Wealth Holders, 1998-2004

Changes in the top wealth holder population over time are best understood against the backdrop of changes in the U.S. economy, since the financial well-being of top wealth holders is likely to be sig-

Figure L

Concentration of Top Wealth Holders with Net Worth of \$1.5 Million or More, by State, 2004



⁹ Regions of the United States are assigned using the classification system of the U.S. Bureau of the Census. See http://www.census.gov/geo/www/us_regdiv.pdf.

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nificantly affected by the health of the economy as a whole. Over the 2 years between 1998 and 2000, the country experienced a period of rapid economic growth, with real Gross Domestic Product (GDP) increasing a total of 8.3 percent.¹⁰ Equity prices during this time also increased rapidly. On January 2, 1998, the S&P 500 stock index closed at 975.04, but, by March 24, 2000, the index closed at a then-record 1527.46, a 56.7-percent increase in less than 27 months.¹¹ Stocks in the technology-laden NASDAQ Composite Index, meanwhile, appreciated even more rapidly during this period, with the index increasing 219.2 percent between January 2, 1998, and its peak close on March 10, 2000.¹²

The period of rapid growth in the economy and stock prices between 1998 and early 2000 gave way to a pronounced retrenchment by the summer of 2001. Between 2000 and 2001, real GDP increased only 0.75 percent. From their March 2000 peaks, the S&P 500 dropped 28.5 percent by September 10, 2001, while the Nasdaq Composite Index shed nearly two-thirds of its value. Despite the historic nature of the September 11 terrorist attacks, however, both the S&P 500 and the Nasdaq Composite Index both closed higher on December 31, 2001, than they had on September 10. The National Bureau of Economic Research (NBER) later declared that the economy was in a recession over the period March 2001 through November 2001.¹³

Between 2001 and 2004, the economy recovered gradually, with real GDP increasing a total of 7.9 percent over the 3 year period. Equity prices during this period posted small nominal gains, with the S&P 500 stock index increasing 5.6 percent from the start of 2002 to the end of 2004, and the Nasdaq Composite Index increasing 11.5 percent.

In the preceding paragraphs, stock index levels are expressed in nominal terms without considering the effects of inflation, which erodes the value of money over time. A look at the real (inflation-adjusted) changes in the value of the stock market between

1998 and 2004 paints a somewhat different picture. The yearly average close for the S&P 500 index, in constant 2004 dollars, was 2.7 percent higher for 2001 than for 1998, but 10.5 percent lower for 2004 than for 2001.¹⁴ For the Nasdaq Composite Index, the yearly average close, in constant 2004 dollars, increased 4.2 percent between 1998 and 2001 before falling 7.0 percent between 2001 and 2004.¹⁵

Although the growth rates of GDP and equity prices experienced considerable turbulence between 1998 and 2004, the value of residential real estate increased steadily throughout this period. Data from the Office of Federal Housing Enterprise Oversight (OFHEO) Home Price Index show a consistent monthly increase from January 1998 through December 2004, with an overall increase of 62.0 percent over this period.¹⁶ Data from the S&P/Case-Shiller 10-City Composite Index, which tracks changes in the value of the residential real estate market in 10 major metropolitan regions across the United States, show a similar, steady monthly increase during this period, with an overall increase of 131.5 percent.¹⁷

As shown in Figure M, the number of individuals with net worth of \$1.5 million or more, in constant 2004 dollars, increased from just over 1.8 million in 1998 to nearly 2.2 million in 2004. Nearly all of this 21.5-percent increase occurred between 1998 and 2001, as the number stayed nearly constant between 2001 and 2004. This is likely due, in part, to the relatively stronger performance of the equity markets in the earlier 3-year period. As will be shown below, stock was a dominant portfolio component of top wealth holders throughout this period. Therefore, the relatively stronger performance of the stock market between 1998 and 2001 than in the later three-year period is likely to have impacted the number of individuals with net worth of \$1.5 million or more.

Figure M also shows that the growth in the number of individuals with net worth of \$1.5 million or more between 1998 and 2004 varied by net worth category. The growth in the number of these top

¹⁰ GDP statistics obtained from the Bureau of Economic Analysis. See <http://www.bea.gov/national/index.htm#gdp>.

¹¹ Data on the S&P 500 index obtained from <http://www2.standardandpoors.com>.

¹² Data on the Nasdaq Composite Index obtained from <http://www.nasdaq.com>.

¹³ Business cycle data obtained from the National Bureau of Economic Research at <http://www.nber.org/cycles.html>.

¹⁴ Yearly average close is defined as the sum of the daily closing values of the index for each trading day during the calendar year divided by the number of trading days.

¹⁵ Money amounts were converted to constant 2004 dollars using the Gross Domestic Product Chain-Type Price Index produced by the Bureau of Economic Analysis. See <http://research.stlouisfed.org/fred2/series/GDPCTPI>.

¹⁶ See the OFHEO HPI Web site at <http://www.ofheo.gov/hpi.aspx>.

¹⁷ See <http://www2.standardandpoors.com> for data from the S&P/Case-Shiller Home Price Index. While this index has more limited geographic coverage than the OFHEO Home Price Index, it may better account for the change in value of homes financed with so-called "subprime" loans. For a detailed comparison of differences between the two indices, see <http://www.ofheo.gov/media/research/OFHEOSPCS12008.pdf>.

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Figure M

Number of Top Wealth Holders with Net Worth of \$1.5 Million or More, by Size of Net Worth, 1998-2004

[Numbers are in thousands]

Size of net worth, in constant 2004 dollars [1]	1998	2001	2004	Percentage growth, 1998-2004
	(1)	(2)	(3)	(4)
Total	1,807	2,193	2,196	21.5
\$1.5 million under \$2.0 million	651	754	745	14.4
\$2.0 million under \$3.5 million	685	789	845	23.4
\$3.5 million under \$5.0 million	188	259	248	31.9
\$5.0 million under \$10.0 million	189	260	232	22.8
\$10.0 million or more	94	140	125	33.0

[1] Net worth was converted to constant 2004 dollars using the Gross Domestic Product Chain-type Price Index produced by the Bureau of Economic Analysis. See <http://research.stlouisfed.org/fred2/series/GDPCTPI>.

wealth holders between 1998 and 2001 was most pronounced for those with net worth of \$3.5 million or more, with more modest gains in the number of individuals with net worth between \$1.5 million and \$3.5 million. In contrast, between 2001 and 2004, the number of individuals with net worth of \$3.5 million or more declined, while the number of those with net worth between \$1.5 million and \$3.5 mil-

lion increased. This pattern may reflect, in part, the movement of some top wealth holders from the higher net worth categories into lower net worth categories as their portfolio values declined in real terms.

Changes in the asset portfolio of top wealth holders between 1998 and 2004 are shown in Figure N. For individuals with net worth of \$1.5 million or more, in constant 2004 dollars, the amount held in stock was nearly \$3.4 trillion in 1998, \$4.1 trillion in 2001, but only \$3.3 trillion in 2004. In contrast, the value of real estate assets held by individuals with this level of wealth increased from almost \$1.4 trillion in 1998 to \$1.9 trillion in 2001 and \$2.3 trillion in 2004.

It is important to note that asset portfolio changes can arise both from the appreciation or depreciation of asset types, as well as the reallocation of assets within the portfolio. Research suggests that individuals “chase returns” by reallocating their portfolios to shift more resources into assets that have performed well in the recent past, or, conversely, shifting assets away from assets that have performed poorly.¹⁸ Shifts in the portfolio composition of top wealth holders between 1998 and 2004 suggest that some “return chasing” may have taken place, although these changes may not be statistically significant.

Figure N

Top Wealth Holders with Net Worth of \$1.5 Million or More, Selected Assets as a Percentage of Total Assets, 1998-2004

[Numbers are in thousands]

Selected asset	1998		2001		2004	
	Amount	Percentage of total assets	Amount	Percentage of total assets	Amount	Percentage of total assets
	(1)			(2)	(3)	(4)
All stock [2]	3,382,551	42.9	4,109,947	36.9	3,267,301	31.6
All real estate	1,368,076	17.3	1,866,500	16.8	2,276,462	22.0
Other financial assets [3]	1,247,031	15.8	1,583,538	14.2	1,477,658	14.3
Cash assets [4]	633,152	8.0	927,083	8.3	938,019	9.1
Retirement assets [5]	549,942	7.0	1,026,137	9.2	937,625	9.1

[1] Money amounts converted to constant 2004 dollars using the Gross Domestic Product Chain-type Price Index produced by the Bureau of Economic Analysis.

See <http://research.stlouisfed.org/fred2/series/GDPCTPI>.

[2] Includes publicly traded and closely held stock.

[3] Includes all government bonds, bonds issued by corporations and foreign governments, mortgages and notes, cash value life insurance, and diversified mutual funds.

[4] Includes cash and cash management accounts.

[5] Includes individual retirement accounts, annuities, and self-employed or Keogh plans.

¹⁸ See, for example, Friesen, G. and T. Sapp, “Mutual Fund Flows and Investor Returns: An Empirical Examination of Fund Investor Timing Ability,” *Journal of Banking and Finance*, September 2007, pp. 2796-2816.

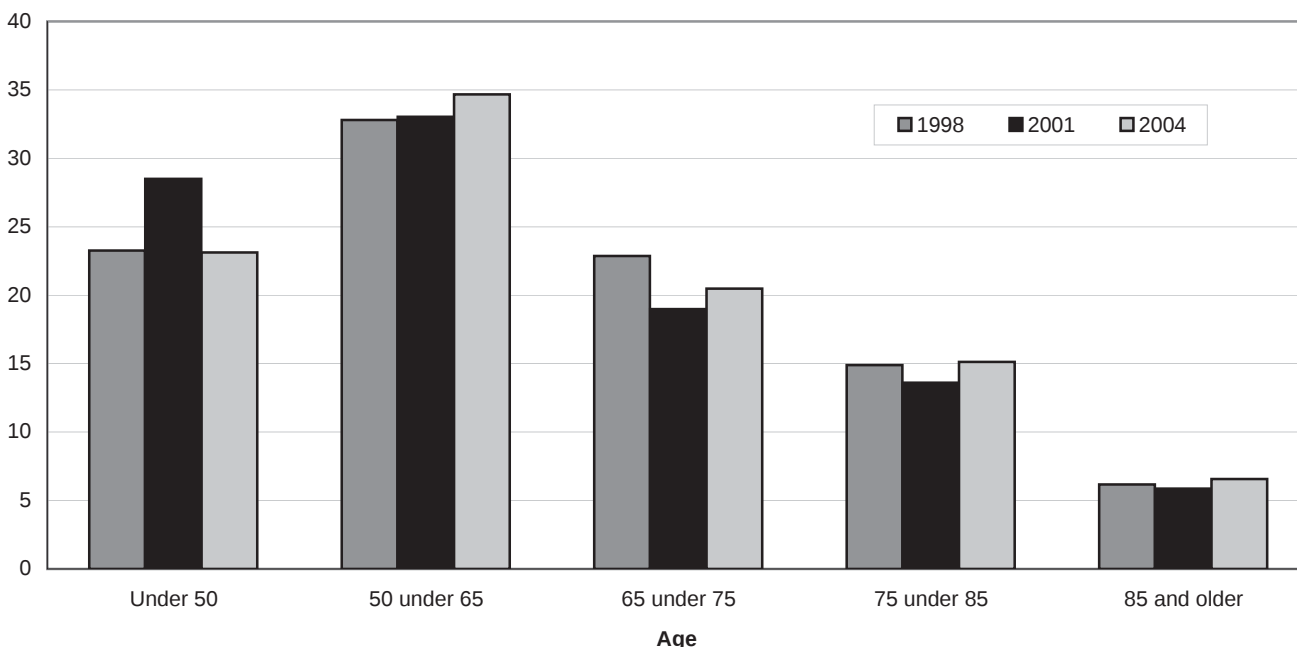
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Figure 0

Percentage of Top Wealth Holders with \$1.5 Million or More in Net Worth, by Age, 1998-2004 [1]

Percentage



[1] In constant 2004 dollars using the Gross Domestic Product Chain-type Price Index produced by the Bureau of Economic Analysis. See <http://research.stlouisfed.org/fred2/series/GDPCTPI>.

In 1998, over 91 percent of top wealth holders held stock in their portfolios. In 2001, after the significant decline in the stock market beginning in March 2000, a slightly smaller portion of the top wealth holder population, 89 percent, held stock. In 2004, after 3 more years of relatively weak performance in the stock market, less than 87 percent of top wealth holders held stock in their portfolios.

Another way to look at changes in the top wealth holder population between 1998 and 2004 is to look at changes in the age distribution. Figure O shows the percentage of individuals with net worth of \$1.5 million or more in each of three age groups—under 50, 50 under 65, and 65 or older. Overall, the figure shows that the age distribution of these wealthy individuals was relatively stable over time, with the exception being an increase in those under 50 for 2001.¹⁹

Concentration Estimates

The share of total U.S. wealth held by the Nation's top wealth holders has long been a topic of interest for researchers and the general public. One way of looking at year-to-year changes in the distribution of wealth is to examine the share of total U.S. wealth held by a constant percentage of the population. Figure P shows the percentages of total U.S. wealth held by the top 1.0 percent and the top 0.5 percent of the population between 1989 and 2004.²⁰

In 2004, 1.0 percent of the U.S. adult population was approximately 2.2 million individuals. These individuals owned approximately 19.4 percent of total U.S. individual wealth, a 2.9-percent decrease since 2001, although this difference may not be statistically significant. A similar pattern was evident in the share of wealth held by the over 1.1 million individu-

¹⁹ At least a portion of this increase can be attributed to sampling variance; in particular, on the unusually large number of relatively young, wealthy individuals who died as a result of the terrorist attacks of September 11, 2001. The estate multipliers, or sample weights, used to produce these wealth estimates are computed using mortality rates that are smoothed to minimize normal year-to-year variations in the U.S. decedent population. These rates cannot easily be adjusted to accurately reflect the mortality rate actually experienced by this subpopulation due to these tragic events, meaning that the resulting estimates of wealth for young, wealthy individuals in the living population based on data reported for these decedents may be biased slightly upward.

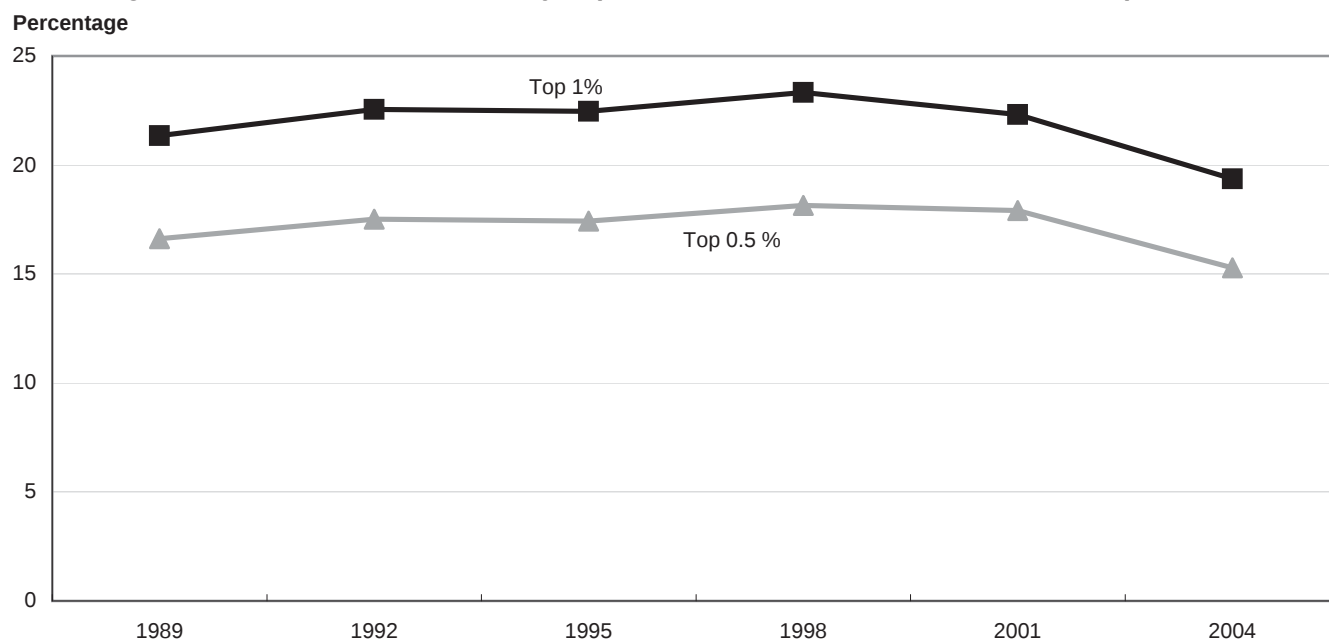
²⁰ U.S. Census Bureau, 2004.

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Figure P

Percentage of Total U.S. Net Worth Held by Top 1 Percent and 0.5 Percent of the U.S. Population, 1989-2004



als who made up the top 0.5 percent of the U.S. adult population in 2004. They held about 15.3 percent of the Nation's net worth in 2004, down from 17.9 percent in 2001, although, as noted above, this difference may be within the sampling error of these estimates. Overall, these results suggest that the share of wealth held by the very wealthiest Americans has stayed within a relatively narrow range over the 15-year period.²¹

Summary

An estimated 2.7 million U.S. adults in 2004 had gross assets of \$1.5 million or more. These top wealth holders combined to hold over \$10.2 trillion in net worth. A little less than 1.6 million, or 57.0 percent, of top wealth holders were men, while just under 1.2 million were women. Most wealthy individuals of both genders were married, although a significantly higher proportion of wealthy females were widowed compared to widowed wealthy males. Although the median net worth of male and female top wealth holders was similar, men had a significantly higher average net worth, reflecting the

impact of a relatively small number of extremely wealthy men.

The asset portfolio of top wealth holders varied considerably by gender, age, and relative wealth. Women's portfolios contained a greater proportion held in personal residences and publicly traded stock than those of men. Conversely, men's portfolios were made up of proportionately more closely held stock and business assets. For top wealth holders of both genders, the wealthiest individuals held proportionately more of their assets in stock and less in real estate than their less wealthy counterparts. Additionally, the value of the personal residence made up a smaller percentage of the portfolios held by older top wealth holders than in the portfolios held by younger individuals. Men in each age and wealth class had a higher ratio of debts to assets than their female counterparts.

In 2004, California had the largest number of individuals with net worth of \$1.5 million or more, while Connecticut had the highest per capita population of these very wealthy residents. States with a relatively high concentration of residents with net worth

²¹ These results are similar to with those derived from the Federal Reserve Board's Survey of Consumer Finances (Kennickell, 2006).

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of \$1.5 million or more were distributed relatively evenly across the major regions of the United States.

Between 1998 and 2004, there was a significant increase in the number of individuals with net worth of \$1.5 million or more. Most of this increase occurred between 1998 and 2001, as the number of individuals with net worth of \$1.5 million was nearly identical in 2001 and 2004. The value of stock held by very wealthy individuals increased substantially between 1998 and 2001, before falling in the 2001 through 2004 period. In contrast, the value of real estate held by individuals with net worth of \$1.5 million or more increased steadily between 1998 and 2004.

Data Sources and Limitations

Statistics of Income collects data from an annual sample of Federal estate tax returns that are used primarily for policy and budget purposes. The sample follows a 3-year cycle that is designed mainly to accommodate year-of-death estimates, with each study concentrating on decedents who died in the first year (the focus year) of the 3-year cycle. The annual samples are also adequate for producing filing-year estimates.

Year-of-death estimates are desirable, because filing extensions and other filing delays mean that returns filed in any given calendar year may represent decedents who died in many different years. Thus, estate tax return data for a single filing year may reflect different economic and tax law conditions. By concentrating on a single year of death, these limitations can be overcome, making it possible to study the data in the context of a single time period.

Returns are selected using a stratified random sample with three stratifying variables. The stratifying variables are: year of death (focus year versus nonfocus years), total gross estate plus certain adjusted taxable gifts made during a decedent's lifetime, and age at death. The gross estate plus gifts variable is divided into four categories: \$1.5 million under \$2.5 million, \$2.5 million under \$5 million, \$5 million under \$10 million, and \$10 million or more. Age at death is also divided into five categories: under 40, 40 under 50, 50 under 65, 65 under 75, and

75 and older. Sample rates vary from 3 percent to 100 percent, with over half the strata selected with certainty, i.e., at the 100-percent rate.

SOI has combined Federal estate tax returns filed in 2004, 2005, and 2006 to produce the estimates of wealth for 2004 presented here. One of the strengths of estimates derived from SOI samples of estate tax returns is the large sample on which the estimates are based. The 2004 sample includes more than 25,800 returns.²²

While the sample size and richness of available data make the estimation techniques used in this study attractive, there are limitations to be noted. First, and most important, estate tax returns provide a presumably random sample, stratified by age, not of the total population, but of living persons with gross estates at or above the estate tax filing threshold. Sample rates are approximated by appropriate mortality rates. However, determining appropriate mortality rates for use in calculating sample weights is by no means a straightforward exercise. The Appendix to this article discusses the estate multiplier technique and recent innovations in calculating sample weights for SOI's personal wealth estimates.

Second, while estate tax returns are generally prepared by professionals and are, therefore, likely to be more accurate in detail than survey responses, the values reported are used to compute tax liability, so that there is a natural tendency for the values to be somewhat conservative. This is especially true for hard-to-value assets, such as businesses and certain types of real estate.

It should also be noted that the estate tax data used for these estimates are preaudit figures. A Statistics of Income (SOI) study, based on the results of IRS audits of estate tax returns, estimated that detected undervaluation of assets was about 1.2 percent of total asset holdings.²³ In addition, it is common to claim substantial discounts when valuing ownership interests of less than 50 percent in small companies, partnerships, and other nonliquid assets. Increasingly, estate planning techniques are used to fracture ownership interests in a variety of business and financial assets to take advantage of these discounts.

²² Although the overall sample of estate tax returns is large, the number of decedents who were young (less than 40) or extremely wealthy (gross assets of \$5 million or more) in any given year varies considerably and is small in comparison to their numbers in the living population. Because of this, the resulting estimates of wealth for these two categories of living individuals would be subject to significant fluctuations from period to period. To reduce this variance, the sample is "smoothed" by including all returns for young or wealthy decedents filed during the 3-year sample period without regard to their years of death. These segments of the sample are then poststratified and reweighted to represent the true decedent population for the year of interest. This technique reduces the effect of outliers on estimates of personal wealth.

²³ Eller, Martha Britton (2001), "Audit Revaluation of Federal Estate Tax Returns," *Internal Revenue Service Statistics of Income Bulletin*, Winter 2000-2001, Washington, DC.

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Third, while estate tax returns report assets that are owned outright, total wealth might ideally include wealth to which a person has an income interest but not necessarily actual title. Examples of the latter include defined-benefit pension plans and Social Security benefits.

Finally, the wealth of some individuals near death may differ somewhat from that of the general population in the same age cohort. For some, portfolios may have been altered or simplified to ensure the uninterrupted continuation of an ongoing business or to simplify the task of executing the estate. For others, wealth will have been reduced through expenses related to a final illness. In many cases, effective estate planning may also have reduced the value of the estate reportable for tax purposes.

Appendix: The Estate Multiplier Technique

The estate multiplier technique assumes that estate tax returns, taken as a whole, represent a random sample of the living wealthy population and thus provide a means of producing reasonable estimates of personal wealth.²⁴ Estimates of the wealth holdings of the living population are derived by applying a multiplier, based on appropriate mortality rates, to this sample. The multiplier is equivalent to a sampling weight where the probabilities of selection include the probability of being a decedent and also that of being included in the Statistics of Income sample of estate tax returns.

Mathematically, this is represented as

$MULT = 1 / (p \cdot r)$ where:

p = probability of selection to the estate tax sample,
 r = mortality rate appropriate to wealthy individuals.

Some smoothing of the multipliers was employed to constrain both tails of the net worth distribution.

The more difficult computation is determining the probability of being a decedent. Mortality rates for

the general population, by age and sex, are available from the National Center for Health Statistics. However, there is much evidence that the wealthy have mortality rates significantly lower than those of the entire population. Research has demonstrated that individuals who are economically or socially better off also live longer, on average, and are healthier.²⁵

Factors such as access to better health services, better diet and nutrition, and fewer work-related risks seem to contribute to this phenomenon. If mortality and wealth are inversely related, then mortality rates for the general population, unadjusted for wealth level, will result in multipliers that are too low and, thus, undervalue wealth. Therefore, it is important to determine a mortality rate appropriate to the wealthy decedents in the estate tax return filing population.

There have been a considerable number of attempts to quantify differences between the mortality of the general population and that of the very wealthy, looking at such factors as education, income, and occupation. In years prior to 2001, SOI calculated mortality rates for its Personal Wealth estimates by adjusting mortality rates for the entire population using mortality differentials derived from the National Longitudinal Mortality Study (NLMS) sponsored by the National Institutes of Health.

Starting with the 2001 estimates, however, estate multipliers have been calculated using mortality rates for holders of large dollar value annuity policies obtained from the Society of Actuaries (SOA). This data source has several advantages relative to using the NLMS mortality differentials. First, the annuitant mortality rates are available for every year, in contrast to the NLMS differentials, which are updated on a biennial cycle. Second, use of this source is consistent with other academic research within and outside the IRS.²⁶ For consistency, estimates for 1998 used in this article were recalculated using the annuitant mortality rates.

²⁴ See Atkinson, A.B. and A.J. Harrison (1978), *Distribution of Personal Wealth in Britain*, Cambridge University Press, London, for a thorough discussion of the estate multiplier technique.

²⁵ See, for example, Attanasio, O. and C. Emmerson (2003), "Mortality, Health Status, and Wealth," *Journal of the European Economic Association*, June 2003, Volume 1, Number 4, pp. 821-850.

²⁶ See, for example, Friedberg, Leora and Anthony Webb, "Life is Cheap: Using Mortality Bonds to Hedge Aggregate Mortality Risk," January 2006, NBER Working Paper Number W11984.

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Table 1. Personal Wealth 2004: Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	2,728	11,076,759	2,099	850,622	2,728	10,201,246	2,062	1,185,941
Under \$1.5 million [1]	531	736,039	468	231,035	531	480,113	410	176,105
\$1.5 million under \$2.0 million	746	1,386,077	544	98,187	746	1,287,890	549	229,369
\$2.0 million under \$3.5 million	846	2,316,701	614	147,370	846	2,169,331	639	342,206
\$3.5 million under \$5.0 million	247	1,082,889	192	58,950	247	1,023,939	194	127,444
\$5.0 million under \$10.0 million	231	1,668,002	176	104,811	231	1,563,191	173	148,543
\$10.0 million under \$20.0 million	79	1,155,326	64	69,849	79	1,085,477	61	76,472
\$20.0 million or more	47	2,731,726	40	140,421	47	2,591,305	36	85,802

Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	1,531	1,402,029	682	1,127,194	2,100	2,247,269	994	700,114
Under \$1.5 million [1]	255	134,674	119	42,431	339	63,062	73	8,255
\$1.5 million under \$2.0 million	406	206,626	140	69,066	567	219,818	264	61,720
\$2.0 million under \$3.5 million	475	329,893	187	141,272	670	415,249	336	110,990
\$3.5 million under \$5.0 million	153	152,634	86	95,958	209	209,459	123	71,715
\$5.0 million under \$10.0 million	149	230,146	82	165,781	202	373,575	122	121,735
\$10.0 million under \$20.0 million	58	137,770	35	136,144	69	246,824	47	104,650
\$20.0 million or more	35	210,286	32	476,542	43	719,282	29	221,051

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(19)	(20)	(17)	(18)	(21)	(22)	(23)	(24)
Total	246	13,244	489	180,708	630	109,159	222	22,678
Under \$1.5 million [1]	39	488	45	2829	52	2,039	26	885
\$1.5 million under \$2.0 million	74	3,334	126	20,084	174	16,096	63	3,854
\$2.0 million under \$3.5 million	87	6,220	181	32,518	222	25,279	81	6,339
\$3.5 million under \$5.0 million	23	1,811	51	12,762	76	10,876	20	2,289
\$5.0 million under \$10.0 million	15	941	52	24,323	66	16,170	20	2,794
\$10.0 million under \$20.0 million	5	316	20	18,589	26	11,411	8	4,555
\$20.0 million or more	2	134	14	69,605	14	27,288	4	1,961

Footnotes at end of table.

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Table 1. Personal Wealth 2004: Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds [2]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	793	96,627	2,563	574,681	1,880	414,165	650	283,451
Under \$1.5 million [1]	108	4,333	495	35,184	284	15,451	89	15,339
\$1.5 million under \$2.0 million	216	15,223	705	92,092	500	41,807	151	35,321
\$2.0 million under \$3.5 million	259	24,618	785	128,397	610	89,745	184	43,906
\$3.5 million under \$5.0 million	83	12,969	235	66,514	193	43,687	80	28,700
\$5.0 million under \$10.0 million	80	10,358	221	70,890	184	70,232	81	47,846
\$10.0 million under \$20.0 million	28	9,677	77	48,881	67	62,226	38	40,314
\$20.0 million or more	18	19,449	46	132,723	42	91,016	27	72,025

Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	998	144,481	643	566,615	277	300,787	394	362,713
Under \$1.5 million [1]	231	38,255	115	30,088	39	23,792	35	7,580
\$1.5 million under \$2.0 million	272	36,671	119	32,822	72	48,882	79	10,399
\$2.0 million under \$3.5 million	302	41,380	183	84,464	95	78,157	111	30,335
\$3.5 million under \$5.0 million	76	10,662	68	48,385	22	29,036	52	19,649
\$5.0 million under \$10.0 million	79	11,243	90	99,091	29	38,332	57	50,368
\$10.0 million under \$20.0 million	25	3,731	37	75,794	11	28,359	32	53,605
\$20.0 million or more	15	2,540	29	195,972	8	54,228	27	190,777

Size of net worth	Retirement assets		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	2,063	1,048,730	177	49,891	2,460	246,286
Under \$1.5 million [1]	423	111,516	10	531	481	23,202
\$1.5 million under \$2.0 million	556	212,106	33	712	669	30,076
\$2.0 million under \$3.5 million	639	337,328	46	1,602	750	46,804
\$3.5 million under \$5.0 million	185	115,965	23	1,552	226	20,821
\$5.0 million under \$10.0 million	170	148,559	29	4,066	212	33,010
\$10.0 million under \$20.0 million	58	64,313	17	7,052	76	24,643
\$20.0 million or more	33	58,942	18	34,375	46	67,730

[1] Includes individuals with zero or negative net worth.

[2] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[3] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

Personal Wealth, 2004

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Table 2. Personal Wealth 2004: Male Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	1,555	6,471,540	1,208	583,805	1,555	5,862,844	1,144	597,971
Under \$1.5 million [1]	389	528,017	339	184,673	389	318,454	298	117,554
\$1.5 million under \$2.0 million	359	675,321	258	54,149	359	621,172	257	97,605
\$2.0 million under \$3.5 million	465	1,289,522	346	96,654	465	1,192,868	339	163,984
\$3.5 million under \$5.0 million	131	578,304	102	37,496	131	540,808	100	60,123
\$5.0 million under \$10.0 million	135	989,077	100	74,003	135	915,074	95	68,653
\$10.0 million under \$20.0 million	47	679,613	38	41,466	47	638,146	33	38,710
\$20.0 million or more	30	1,731,686	25	95,364	30	1,636,322	22	51,342

Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	882	828,055	469	833,929	1,156	1,140,665	480	348,496
Under \$1.5 million [1]	182	96,796	100	36,177	249	42,494	45	4,639
\$1.5 million under \$2.0 million	203	105,224	85	44,376	261	94,788	104	21,604
\$2.0 million under \$3.5 million	265	179,481	130	102,116	357	199,844	162	48,090
\$3.5 million under \$5.0 million	83	80,919	53	63,006	108	95,417	58	28,664
\$5.0 million under \$10.0 million	92	151,731	56	110,961	113	200,003	65	63,297
\$10.0 million under \$20.0 million	35	75,459	23	97,601	41	135,157	27	55,734
\$20.0 million or more	23	138,446	21	379,692	27	372,962	18	126,469

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(19)	(20)	(17)	(18)	(21)	(22)	(23)	(24)
Total	147	6,469	225	82,702	305	62,350	109	10,768
Under \$1.5 million [1]	30	302	25	1,364	32	1,418	18	521
\$1.5 million under \$2.0 million	40	1,360	50	6,402	71	6,638	23	1,347
\$2.0 million under \$3.5 million	50	3,378	83	17,057	107	13,323	41	2,948
\$3.5 million under \$5.0 million	12	717	23	5,938	35	5,306	9	1,240
\$5.0 million under \$10.0 million	9	445	25	10,925	36	8,152	11	1,619
\$10.0 million under \$20.0 million	3	162	11	10,983	14	7,138	4	1,628
\$20.0 million or more	1	105	8	30,034	10	20,374	3	1,464

Footnotes at end of table.

Personal Wealth, 2004

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Table 2. Personal Wealth 2004: Male Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds [2]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	417	53,014	1,461	351,407	1,027	213,375	402	189,942
Under \$1.5 million [1]	78	2,748	361	24,123	204	10,387	71	11,354
\$1.5 million under \$2.0 million	95	6,150	339	40,470	229	16,109	81	19,221
\$2.0 million under \$3.5 million	128	11,824	436	73,508	328	44,123	111	28,290
\$3.5 million under \$5.0 million	43	7,482	122	35,249	97	18,907	48	17,418
\$5.0 million under \$10.0 million	44	4,895	129	44,827	102	37,345	51	31,878
\$10.0 million under \$20.0 million	16	5,505	45	27,624	40	31,843	24	26,848
\$20.0 million or more	12	14,409	29	105,608	26	54,661	17	54,933

Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	685	102,716	430	382,753	174	178,803	215	211,350
Under \$1.5 million [1]	182	30,925	98	26,699	32	18,686	21	5,011
\$1.5 million under \$2.0 million	161	22,345	72	21,362	39	25,421	34	5,252
\$2.0 million under \$3.5 million	203	28,669	119	57,613	57	44,810	62	16,948
\$3.5 million under \$5.0 million	54	7,815	40	29,601	14	15,702	30	13,552
\$5.0 million under \$10.0 million	54	7,927	56	57,200	19	25,178	34	31,793
\$10.0 million under \$20.0 million	18	2,896	24	54,326	7	15,838	18	28,725
\$20.0 million or more	12	2,138	19	135,951	5	33,167	17	110,069

Size of net worth	Retirement assets		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	1,223	717,051	80	24,970	1,401	134,757
Under \$1.5 million [1]	311	79,471	8	480	352	16,868
\$1.5 million under \$2.0 million	277	122,427	11	364	321	16,855
\$2.0 million under \$3.5 million	368	226,969	22	1,012	414	25,535
\$3.5 million under \$5.0 million	102	79,458	9	603	119	11,187
\$5.0 million under \$10.0 million	104	111,775	13	2,805	122	17,669
\$10.0 million under \$20.0 million	38	48,923	8	2,330	44	12,184
\$20.0 million or more	22	48,026	10	17,376	29	34,459

[1] Includes individuals with zero or negative net worth.

[2] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[3] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

Personal Wealth, 2004

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Table 3. Personal Wealth 2004: Female Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	1,173	4,605,219	891	266,817	1,173	4,338,402	918	587,970
Under \$1.5 million [1]	143	208,021	129	46,362	143	161,659	113	58,550
\$1.5 million under \$2.0 million	387	710,757	286	44,038	387	666,719	291	131,764
\$2.0 million under \$3.5 million	380	1,027,179	268	50,716	380	976,463	300	178,222
\$3.5 million under \$5.0 million	116	504,585	89	21,454	116	483,131	94	67,321
\$5.0 million under \$10.0 million	96	678,924	77	30,808	96	648,116	79	79,890
\$10.0 million under \$20.0 million	33	475,713	27	28,382	33	447,331	28	37,762
\$20.0 million or more	18	1,000,040	15	45,057	18	954,983	14	34,461

Size of net worth	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	649	573,974	213	293,264	944	1,106,604	514	351,618
Under \$1.5 million [1]	72	37,879	19	6,255	90	20,568	27	3,616
\$1.5 million under \$2.0 million	203	101,402	55	24,690	307	125,030	160	40,116
\$2.0 million under \$3.5 million	209	150,412	57	39,155	314	215,405	174	62,900
\$3.5 million under \$5.0 million	70	71,714	33	32,953	101	114,042	64	43,051
\$5.0 million under \$10.0 million	58	78,416	27	54,820	88	173,572	58	58,437
\$10.0 million under \$20.0 million	24	62,312	12	38,543	28	111,667	20	48,916
\$20.0 million or more	12	71,840	11	96,849	16	346,320	12	94,581

Size of net worth	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(19)	(20)	(17)	(18)	(21)	(22)	(23)	(24)
Total	99	6,775	264	98,007	324	46,809	113	11,910
Under \$1.5 million [1]	9	185	21	1,465	19	621	9	365
\$1.5 million under \$2.0 million	34	1,974	76	13,682	103	9,457	40	2,507
\$2.0 million under \$3.5 million	37	2,843	97	15,461	115	11,956	39	3,391
\$3.5 million under \$5.0 million	11	1,095	28	6,824	41	5,570	12	1,049
\$5.0 million under \$10.0 million	6	496	27	13,398	30	8,018	9	1,175
\$10.0 million under \$20.0 million	2	154	9	7,606	11	4,272	4	2,926
\$20.0 million or more	1	29	6	39,571	5	6,913	1	497

Footnotes at end of table.

Personal Wealth, 2004

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Table 3. Personal Wealth 2004: Female Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Size of Net Worth—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Size of net worth	Diversified mutual funds [2]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	376	43,613	1,102	223,274	853	200,790	247	93,509
Under \$1.5 million [1]	30	1,584	133	11,061	80	5,064	18	3,986
\$1.5 million under \$2.0 million	121	9,073	366	51,623	271	25,698	71	16,099
\$2.0 million under \$3.5 million	131	12,793	348	54,890	282	45,623	73	15,615
\$3.5 million under \$5.0 million	40	5,487	113	31,266	96	24,781	32	11,283
\$5.0 million under \$10.0 million	36	5,463	92	26,063	82	32,887	30	15,968
\$10.0 million under \$20.0 million	12	4,172	32	21,257	27	30,383	14	13,466
\$20.0 million or more	6	5,040	17	27,115	15	36,355	10	17,092

Size of net worth	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	314	41,766	213	183,863	103	121,984	179	151,363
Under \$1.5 million [1]	49	7,329	17	3,389	7	5,106	14	2,568
\$1.5 million under \$2.0 million	111	14,326	47	11,460	33	23,461	46	5,146
\$2.0 million under \$3.5 million	98	12,712	64	26,851	38	33,347	50	13,387
\$3.5 million under \$5.0 million	22	2,846	28	18,783	8	13,333	23	6,097
\$5.0 million under \$10.0 million	25	3,316	34	41,891	10	13,154	23	18,575
\$10.0 million under \$20.0 million	6	835	13	21,468	4	12,521	14	24,881
\$20.0 million or more	3	402	10	60,021	3	21,061	10	80,708

Size of net worth	Retirement assets		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	840	331,679	96	24,920	1,059	111,530
Under \$1.5 million [1]	112	32,045	3	51	130	6,334
\$1.5 million under \$2.0 million	279	89,679	22	348	348	13,221
\$2.0 million under \$3.5 million	270	110,359	24	590	336	21,269
\$3.5 million under \$5.0 million	82	36,507	15	949	107	9,635
\$5.0 million under \$10.0 million	66	36,784	15	1,261	90	15,341
\$10.0 million under \$20.0 million	20	15,390	9	4,723	32	12,459
\$20.0 million or more	10	10,916	8	16,999	17	33,271

[1] Includes individuals with zero or negative net worth.

[2] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[3] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

Personal Wealth, 2004

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Table 4. Personal Wealth 2004: Male Top Wealth Holders with Gross Assets

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Age	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	1,555	6,471,540	1,208	583,805	1,555	5,862,844	1,144	597,971
Under 50	504	1,574,213	436	278,616	504	1,270,706	369	195,305
50 under 65	541	2,352,406	420	192,499	541	2,159,907	412	214,106
65 under 75	269	1,243,488	189	71,684	269	1,171,804	200	97,363
75 under 85	174	950,436	118	32,371	174	918,065	124	68,479
85 and older	66	350,996	45	8,635	66	342,361	40	22,718

Age	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	882	828,055	469	833,929	1,156	1,140,665	480	348,496
Under 50	248	208,018	173	247,875	341	248,653	83	53,864
50 under 65	342	318,486	185	341,601	403	313,589	162	100,564
65 under 75	167	175,539	71	140,477	208	199,448	94	66,442
75 under 85	97	97,472	33	86,064	147	248,770	97	82,849
85 and older	28	28,540	8	17,912	57	130,206	44	44,776

Age	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	147	6,469	225	82,702	305	62,350	109	10,768
Under 50	31	1,153	49	15,417	66	12,487	30	3,506
50 under 65	50	1,350	69	24,165	98	17,106	36	3,462
65 under 75	36	1,360	41	13,637	64	11,269	23	1,726
75 under 85	23	1,946	45	21,333	53	15,422	14	1,516
85 and older	7	660	21	8,149	25	6,066	7	558

Footnotes at end of table.

Personal Wealth, 2004

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Table 4. Personal Wealth 2004: Male Top Wealth Holders with Gross Assets—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Age	Diversified mutual funds [1]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	417	53,014	1,461	351,407	1,027	213,375	402	189,942
Under 50	105	10,914	462	75,796	301	48,221	121	53,587
50 under 65	150	17,444	512	151,599	353	75,925	140	66,884
65 under 75	82	12,660	256	57,050	192	41,967	79	36,536
75 under 85	58	8,798	167	46,686	132	34,248	48	26,301
85 and older	21	3,197	64	20,277	50	13,014	14	6,634

Age	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	685	102,716	430	382,753	174	178,803	215	211,350
Under 50	205	33,404	158	121,152	40	27,897	46	41,037
50 under 65	254	39,224	164	150,551	70	81,170	83	69,063
65 under 75	116	15,862	61	64,146	31	36,405	43	55,057
75 under 85	80	10,468	37	39,511	26	24,224	34	35,262
85 and older	30	3,758	10	7,393	8	9,107	10	10,931

Age	Retirement assets [2]		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	1,223	717,051	80	24,970	1,401	134,757
Under 50	383	139,964	21	1,900	445	34,062
50 under 65	457	299,280	29	9,114	493	57,724
65 under 75	221	187,465	16	6,349	250	22,732
75 under 85	131	81,427	11	4,529	157	15,131
85 and older	31	8,915	4	3,078	56	5,108

[1] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[2] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

Personal Wealth, 2004

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Table 5. Personal Wealth 2004: Female Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Age

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Age	Total assets		Debts and mortgages		Net worth		Personal residence	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	1,173	4,605,219	891	266,817	1,173	4,338,402	918	587,970
Under 50	303	1,053,317	245	106,773	303	946,543	240	160,882
50 under 65	410	1,622,172	319	105,709	410	1,516,463	341	229,420
65 under 75	210	825,374	145	31,890	210	793,484	171	99,494
75 under 85	169	741,763	117	16,653	169	725,110	118	70,226
85 and older	81	362,594	65	5,792	81	356,802	48	27,948

Age	Other real estate		Closely held stock		Publicly traded stock		State and local government bonds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	649	573,974	213	293,264	944	1,106,604	514	351,618
Under 50	132	94,367	59	90,678	235	263,205	95	48,019
50 under 65	253	251,171	86	105,724	321	298,652	154	99,834
65 under 75	141	126,587	41	46,905	174	200,890	108	71,347
75 under 85	91	71,720	21	38,909	143	205,107	104	88,059
85 and older	31	30,130	6	11,048	70	138,750	53	44,358

Age	Federal savings bonds		Other Federal bonds		Corporate and foreign bonds		Bond funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	99	6,775	264	98,007	324	46,809	113	11,910
Under 50	17	196	57	14,150	68	7,846	25	2,420
50 under 65	32	1,089	73	32,704	97	15,388	43	5,773
65 under 75	19	2,250	62	11,070	75	9,247	20	1,343
75 under 85	20	1,993	44	28,835	55	8,480	17	1,294
85 and older	11	1,246	28	11,248	30	5,849	8	1,080

Footnotes at end of table.

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Table 5. Personal Wealth 2004: Female Top Wealth Holders with Gross Assets of \$1.5 Million or More, Type of Property by Age—Continued

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

Age	Diversified mutual funds [1]		Cash		Cash management accounts		Mortgages and notes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	376	43,613	1,102	223,274	853	200,790	247	93,509
Under 50	87	8,440	269	45,727	211	59,997	62	21,884
50 under 65	133	16,158	387	63,868	297	61,975	85	34,143
65 under 75	74	6,914	202	35,707	149	36,062	46	17,318
75 under 85	55	8,977	165	53,459	134	28,644	40	14,374
85 and older	27	3,124	79	24,513	61	14,113	14	5,790

Age	Cash value life insurance		Noncorporate business assets		Farm assets		Limited partnerships	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	314	41,766	213	183,863	103	121,984	179	151,363
Under 50	75	10,654	62	59,753	11	14,440	43	30,229
50 under 65	127	16,926	78	62,657	38	53,246	61	81,151
65 under 75	53	6,907	45	24,239	30	30,252	42	18,829
75 under 85	43	5,348	21	30,188	16	17,526	23	13,722
85 and older	15	1,931	7	7,026	7	6,519	10	7,431

Age	Retirement assets [2]		Art		Other assets	
	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)
Total	840	331,679	96	24,920	1,059	111,530
Under 50	220	79,313	17	1,847	271	39,267
50 under 65	330	144,566	36	8,515	376	39,213
65 under 75	156	62,698	25	2,662	190	14,655
75 under 85	106	37,538	12	5,081	155	12,283
85 and older	28	7,564	6	6,815	68	6,111

[1] Mutual funds with a single investment objective are grouped with similar direct investments in this table.

[2] Includes individual retirement accounts, annuities, and self-employed retirement or Keogh plans.

NOTE: Detail may not add to total due to rounding.

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Table 6. Top Wealth Holders with Net Worth of \$1.5 Million or More, Net Worth and Selected Assets, by State of Residence, 2004 [1]

[All figures are estimates based on samples—numbers are in thousands, money amounts are in millions of dollars]

State of residence	Net worth		Financial assets [2]		All real estate		All other assets	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	2,196	9,721,133	2,194	6,622,433	1,974	2,277,191	2,042	1,441,099
Alabama	18	79,123	18	53,629	17	17,512	18	12,646
Alaska	1	4,776	1	3,384	1	897	1	682
Arizona	36	139,861	36	96,570	33	34,175	34	16,737
Arkansas	11	94,704	11	79,760	10	8,075	11	14,051
California	428	1,793,642	427	996,853	404	691,416	405	247,481
Colorado	32	163,324	32	98,430	29	51,571	31	27,349
Connecticut	47	197,801	47	129,299	41	63,737	45	20,351
Delaware	8	30,923	8	19,418	6	8,121	7	5,007
District of Columbia	7	27,850	7	16,495	7	8,416	7	4,231
Florida	199	904,014	198	612,124	177	221,033	188	138,936
Georgia	56	270,677	56	211,199	51	60,494	54	41,528
Hawaii	7	22,552	6	11,903	7	10,647	5	1,825
Idaho	5	23,982	5	17,509	5	4,055	5	4,187
Illinois	101	476,354	101	349,822	83	77,028	90	68,659
Indiana	32	112,272	32	87,147	26	13,344	29	14,939
Iowa	18	55,332	18	34,395	14	5,635	18	18,996
Kansas	21	65,084	21	45,121	18	8,376	21	13,388
Kentucky	18	65,404	18	48,258	17	8,018	18	11,347
Louisiana	22	92,315	22	72,653	22	15,543	22	10,383
Maine	8	35,173	8	28,677	7	5,950	7	1,928
Maryland	50	191,279	50	134,922	47	37,892	45	27,589
Massachusetts	83	335,482	83	237,389	75	82,248	75	34,079
Michigan	47	261,085	47	192,736	39	34,803	40	50,592
Minnesota	33	135,682	33	92,618	31	25,875	32	23,032
Mississippi	8	61,786	8	33,608	8	5,238	8	23,790
Missouri	33	115,716	33	91,254	26	17,673	32	13,429
Montana	7	23,966	7	16,515	6	4,420	6	3,490
Nebraska	13	83,265	13	68,620	11	6,396	13	11,969
Nevada	15	80,768	15	54,894	14	22,132	15	12,959
New Hampshire	7	27,342	7	18,563	6	7,245	5	2,677
New Jersey	79	324,712	79	219,677	72	79,200	67	40,264
New Mexico	9	28,107	9	18,230	8	4,957	9	6,422
New York	168	942,812	168	636,244	147	218,876	141	143,601
North Carolina	59	223,408	59	171,845	53	41,138	54	25,721
North Dakota	1	3,988	1	2,944	1	777	1	413
Ohio	61	228,532	61	182,596	50	30,049	55	23,694
Oklahoma	17	58,554	17	45,444	14	6,217	17	9,117
Oregon	15	61,328	15	42,631	14	13,685	14	8,515
Pennsylvania	86	399,312	85	293,609	73	70,258	74	47,388
Rhode Island	8	30,782	8	20,882	8	8,124	7	3,533
South Carolina	14	67,856	14	43,678	13	17,713	14	10,988
South Dakota	6	18,850	6	14,181	5	1,433	5	3,949
Tennessee	25	100,778	25	75,826	24	17,670	24	12,433
Texas	108	492,663	108	330,457	102	59,259	107	134,159
Utah	8	52,674	8	43,204	7	5,128	8	8,218
Vermont	4	20,584	4	12,864	4	3,944	4	4,173
Virginia	59	223,984	59	150,855	55	51,348	55	33,420
Washington	50	180,008	50	120,362	46	50,261	49	21,468
West Virginia	12	28,415	12	21,937	10	5,839	12	3,853
Wisconsin	26	127,515	26	103,720	23	22,016	24	10,230
Wyoming	5	106,698	5	97,214	4	3,109	5	9,987
Other areas [3]	5	28,042	5	20,270	5	8,227	5	1,294

[1] While the size of the underlying sample of estate tax returns makes estimates of wealth derived using the estate multiplier technique fairly robust, estimates of wealth by State can be subject to significant year-to-year fluctuations. This is especially true for individuals at the extreme tail of the net worth distribution and for States with relatively small decedent populations.

[2] Includes all stocks, bonds, mutual funds, cash, and cash management accounts.

[3] Includes U.S. territories and possessions.

NOTE: Detail may not add to total due to rounding.