

Vanguard Research Initiative
December 2014

5. Detailed Sample Characteristics

1. Demographics.

Table 5-1 shows the distribution of education, health, gender, and marital status of the sample. Overall, the sample is very well educated and very healthy. More than 70% of the sample has a college degree. Post-graduate degrees are very common in the individual client sample. More than 70% of total sample say that they are either in excellent or very good health. The sample also has a high marriage rate despite our having oversampled singles. The sample is also disproportionately white (Table 5-2). These distinctive features of VRI can be accounted for by the fact that this sample is very affluent, since education level, health, being married, and being white are positively correlated with wealth. In Section 4 of Ameriks et al. (2014), we take a closer look at this issue by comparing VRI to the HRS and the SCF samples.

Table 5-3 shows the marital status by age bins to check whether the oversampling by administrative single status was successful in hitting our target of having one-third of the sample as single (see Vanguard Research Initiative: Documentation and Supporting Analysis, “2. Sample Design”). With the exception of the 70-74 age bin, our stratification procedure resulted in hitting the target almost exactly.

2. Income.

Before we describe the income data, we briefly explain how income is measured. In the beginning of the income section, we ask “what was the approximate total combined income for you [and your spouse] during 2012? You may respond by listing your household’s “Adjusted Gross Income” (AGI) as computed for your 2012 tax return, or provide an estimate of your household’s total income for 2012.” The survey included a check box to indicate whether the

reply was AGI. About 58% checked this box. The medians and interquartile ranges are almost identical for those who checked the box versus those who did not. After this question we ask questions by income source – Social Security, pension, immediate annuity, wage, and disability benefits. For each source, respondents are asked to answer their own and their spouses' income. These incomes are asked in monthly terms, except for wages that are asked on annual basis. At the end of the income section, a summary table containing annualized income from these sources is presented and respondents are asked whether all the information is correct. If they say “no” to some items, they are brought back to the corresponding parts and allowed to change their answers. This correction mechanism is very similar to what we designed for the wealth section (see Section 2 of Ameriks et al. (2014)).

Table 5-4 reports the distribution of annual income. The first row tabulates the distribution of the total household income. Mean annual income is about \$121,000 while median is about \$82,000. Remaining rows show the distribution of annualized income from different sources.

3. Financial Assets by line of business

Tables 5-5A and 5-5B report the distribution of the financial assets separately for the employer-sponsored and the individual client samples. The individual client sample has higher level of assets and especially they tend to have more wealth in IRA, mutual fund and brokerage accounts. By construction, almost all of the employer-sponsored respondents have employer-sponsored plans, but for other types of wealth, both the likelihood of having that type of account and the mean value conditional on having that type are lower compared to the individual client sample.

4. Total Net Wealth by line of business

Table 5-6 tabulates the distribution of total net wealth by line of business. Individual client sample not only has more financial wealth but also has more real estate and business. As a result, total survey net wealth is higher for the individual client sample.

Table 5-1. Education, Health, Gender, and Marital Status.

		Total	Client Type	
			Employer-sponsored	Individual client
Education	College graduate	32.18%	33.69%	31.67%
	Post-college	38.45%	26.25%	42.53%
Health	Poor	0.84%	0.53%	0.94%
	Fair	4.77%	3.48%	5.20%
	Good	21.77%	22.33%	21.58%
	Very Good	41.84%	42.25%	41.71%
	Excellent	30.78%	31.42%	30.57%
Gender	Male	64.26%	65.29%	64.91%
	Female	35.74%	34.71%	36.09%
Marital status	Married	65.21%	72.19%	62.87%
	Never married	6.92%	5.70%	7.32%
	Widowed	8.93%	4.01%	10.57%
	Divorced	16.41%	15.42%	16.75%
	Separated	0.54%	0.98%	0.39%
	Having partner	2.00%	1.69%	2.10%

Table 5-2. Race and Ethnicity

		Total	Client Type	
			Employer-sponsored	Individual client
White		93.65%	89.90%	94.90%
Black		1.62%	4.01%	0.82%
Asian		2.66%	3.07%	2.52%
N. Hawaiian / Pacific islander		0.13%	0.27%	0.09%
American Indian / Alaska Native		0.18%	0.31%	0.13%
Multi-racial		0.38%	0.36%	0.39%
Other		1.37%	2.05%	1.15%

Table 5-3. Marital Status by Age

	Age				
	55-59	60-64	65-69	70-74	75-
Non-single	65.72%	66.33%	67.58%	69.74%	66.25%
Single	34.28%	33.67%	32.42%	30.26%	33.75%

Table 5-4. Annual Income

Income category	Conditional on having positive amount							
	Mean	N	Mean	Percentiles				
			10	25	50	75	90	
Total income (Q8)	121,481	8,950	121,481	27,004	50,000	82,017	125,000	191,616
Social security	20,283	5,628	32,237	12,912	18,372	25,830	33,510	40,380
Pension	20,080	4,803	37,530	4,428	11,376	26,316	48,000	74,808
Immediate Annuity	945	523	16,269	1,200	3,576	7,800	15,708	31,200
Wage	68,174	5,136	119,184	6,000	28,000	72,000	125,000	192,000
Disability benefit	902	416	19,423	1,548	4,740	12,054	23,706	37,200

Note: Total income (Q8) is total household income. The other categories are surveys as monthly for respondent and spouse, and then annualized. Wage is asked on annual basis.

Table 5-5A. Survey Financial Assets: Employer-sponsored sample

Account type	Conditional on having positive amount							
	Mean	N	Mean	Percentiles				
				10	25	50	75	90
Total financial assets	840,592	2,244	840,592	82,251	203,400	507,653	1,023,500	1,822,200
IRA	185,385	1,220	340,986	10,000	30,000	100,000	310,000	692,282
Employer sponsored	349,943	2,113	371,638	35,000	96,568	230,000	480,000	825,000
Pension	61,754	562	246,578	19,000	36,000	100,000	300,000	678,367
Other retirement asset	11,412	136	188,304	10,000	23,711	75,000	168,500	450,000
Checking	13,664	2,135	14,362	740	1,800	4,500	12,000	32,000
Saving	21,556	1,771	27,314	500	2,000	8,100	26,000	70,000
Money market	15,702	580	60,750	1,327	5,000	20,000	65,968	146,420
Mutual fund	18,340	353	116,587	3,000	10,000	40,000	125,000	300,000
Certificate of deposit	7,798	302	57,944	3,000	8,167	24,000	62,000	145,000
Brokerage	86,147	749	258,097	5,000	20,000	89,000	275,600	677,000
Directly held securities	10,756	257	93,914	1,000	4,700	17,000	70,000	180,000
Annuity	19,468	284	153,824	10,457	27,500	83,450	179,442	335,000
Life insurance	31,183	714	98,004	5,000	10,350	32,000	100,000	250,000
Educational related	1,712	101	38,026	1,705	7,500	19,250	40,000	90,000
Other accounts	5,772	82	157,942	1,200	7,000	35,000	135,000	350,000

Note: Pension, annuity, and life-insurance are current cash values.

Table 5-5B. Survey Financial Assets: Individual client sample

Account type	Conditional on having positive amount							
	Mean	N	Mean	Percentiles				
				10	25	50	75	90
Total financial assets	1,306,099	6,704	1,306,099	145,000	330,702	709,750	1,354,209	2,384,500
IRA	417,337	6,083	460,079	38,000	103,000	265,743	596,000	1,081,000
Employer sponsored	170,672	2,517	454,719	19,000	70,000	216,700	471,000	850,000
Pension	13,188	454	194,792	5,941	25,000	96,678	200,000	500,000
Other retirement asset	13,848	466	199,281	8,500	28,000	86,000	240,000	452,554
Checking	17,967	6,502	18,530	1,050	2,500	6,014	16,300	41,500
Saving	23,510	4,391	35,905	500	2,300	10,300	35,000	88,000
Money market	32,526	3,496	62,392	1,200	5,500	23,000	70,000	153,000
Mutual fund	302,931	3,589	566,023	10,000	35,000	125,000	332,000	729,000
Certificate of deposit	19,514	1,332	98,242	4,341	12,000	37,240	101,000	247,250
Brokerage	213,904	3,435	417,595	7,000	30,000	115,000	362,600	882,100
Directly held securities	26,608	1,544	115,567	2,600	10,000	32,850	103,350	240,000
Annuity	21,260	879	162,193	13,400	36,000	96,000	202,000	367,000
Life insurance	17,663	1,982	59,763	4,870	10,000	25,000	64,061	131,900
Educational related	3,460	512	45,321	4,000	8,450	21,000	50,000	104,000
Other accounts	11,322	347	218,796	2,000	11,000	50,000	220,000	499,300

Note: Pension, annuity, and life-insurance are current cash values.

Table 5-6. Total Net Wealth
A. Employer-sponsored sample

		Conditional on having positive amount							
		Mean	N	Mean	Percentiles				
Wealth category					10	25	50	75	90
	Total financial wealth	840,592	2,244	840,592	82,251	203,400	507,653	1,023,500	1,822,200
	Primary residence	292,995	2,044	321,664	100,000	160,000	250,000	400,000	600,000
	Mortgage in primary residence	94,930	1,383	154,030	30,000	62,500	121,500	203,000	305,000
	Other real asset	93,078	626	333,652	35,000	80,000	180,000	350,000	800,000
	Other Mortgages	20,320	246	185,360	25,000	50,000	112,000	231,000	400,000
	Other financial wealth	21,295	269	177,645	7,000	12,000	25,000	100,000	300,000
	Business	12,115	101	269,168	15,000	25,000	100,000	250,000	650,000
	Debt	14,538	1,211	26,940	3,178	9,000	18,000	30,000	52,000
	Survey net wealth	1,159,363	2,244	1,159,363	159,000	346,700	738,091	1,395,274	2,355,180

B. Individual client sample

		Conditional on having positive amount							
		Mean	N	Mean	Percentiles				
Wealth category					10	25	50	75	90
	Total financial wealth	1,306,099	6,704	1,306,099	145,000	330,702	709,750	1,354,209	2,384,500
	Primary residence	324,764	6,138	354,817	120,000	175,000	275,000	420,000	675,000
	Mortgage in primary residence	49,178	2,405	137,127	20,000	50,000	104,000	180,000	294,000
	Other real asset	115,642	1,916	404,748	35,000	100,000	220,000	450,000	825,000
	Other Mortgages	13,433	492	183,087	28,000	70,000	125,000	230,000	378,000
	Other financial wealth	26,474	934	190,083	7,000	15,000	42,722	150,000	400,000
	Business	16,858	309	365,851	15,000	30,000	100,000	350,000	775,000
	Debt	5,377	1,687	21,375	2,000	5,000	12,000	22,000	40,000
	Survey net wealth	1,732,214	6,706	1,732,214	293,500	551,817	1,042,915	1,869,000	3,148,000

