

The Wealth of Wealthholders

September 2023

Appendix D. Detailed Comparisons: VRI, HRS and SCF

This appendix compares the VRI with the most recent waves of the HRS (2012) and SCF (2013) in more detail. It compares surveys along dimensions including wealth, income, and demographics. For each dimension, we also provide comparisons conditional on age groups to control for the effect of different age compositions across surveys.

Recall that the age distribution differs across the samples. Table A-D1 compares the median value of wealth by age group to see whether the difference in the overall wealth distribution is caused by differences in age. Even after imposing similar sampling screens, the VRI sample has a higher median wealth for almost all the age groups. Again, the gap is much smaller when the HRS and SCF samples are compared with the employer-sponsored sample of the VRI. For the HRS, the gap shrinks further if we condition on respondents with at least \$10,000 in 401(k)s or similar pension accounts. (Statistics for the age group 65+ under employer-sponsored conditions or 401(k) subset conditions are not very informative due to the small number of observations.)

Income. Tables A-D2 and A-D3 compare household annual income across samples. Compared to the overall population of the HRS and SCF, the VRI sample is not only wealthier, but also has higher income. The difference in income is, however, much smaller than the difference in wealth. If we impose the VRI screens, except for the oldest age group, income levels from the SCF are actually higher than the VRI; those from the HRS are quite comparable to those from the VRI. As a result, the wealth-to-income ratio is much higher for the VRI sample, as shown in Tables A-D4 and A-D5. This suggests that the high level of wealth of in the

VRI sample is not just due to the high level of lifetime income. They likely also save more, though other differences (e.g., inherited wealth) might be relevant.

Demographics. Table A-D6 compares education, health, and marital status across samples. Tables A-D7, A-D8, and A-D9 compare the distributions of each of these variables by age bins. The VRI sample has a very high education level. Approximately 70% of the sample has a college degree, with over half of those having an advanced degree. The education level is higher for the individual client sample. In contrast, only about 30% of that sample has a college degree in the HRS and the SCF. If we impose the VRI-equivalent screen, however, this gap almost disappears when compared to the employer-sponsored sample in the VRI. The college degree rates from the SCF and HRS are, under VRI-eligible conditions, similar to the VRI rate. For the HRS, the gap is further reduced for the 401(k) subset. Compared to the individual client sample, the HRS and SCF rates are still lower, though the gap is reduced considerably under the VRI-eligibility condition.

The VRI respondents are much healthier than the overall population, with more than 70% reporting that their health is either excellent or very good. The corresponding percentage in the total HRS is about 40%. The SCF uses a different four-point scale without the “very good” category. The fraction of respondents with excellent health is much higher in the VRI (31%) than in the SCF (18%). The gap is much smaller, though it does not fully disappear, after imposing the VRI sampling screens on the HRS and the SCF.

The fraction of coupled households (defined as either married or partnered) in the VRI is 67%, which is roughly what was targeted by oversampling administrative singles. Even after this oversampling of singles, the fraction of coupled households is larger than that in the overall sample of the HRS and the SCF. Without imposing the VRI screens, the corresponding

percentages are about 51% in the HRS and 53% in the SCF. After imposing the VRI sampling criteria, coupled rates from the HRS and the SCF overshoot the VRI levels for most of the age groups owing to the VRI's oversampling of singles.

Table A-D10 compares retirement rates. Because the incidence of retirement changes so much with age, it makes sense to compare by age groups. Overall, once the VRI screens are imposed, the retirement rates are quite similar across the SCF and VRI. HRS respondents retire somewhat earlier relative to both the SCF and the VRI.

Table A-D1. Effect of Imposing VRI Sampling Screens: Median wealth by age

| Age | VRI | | | HRS | | | SCF | | |
|--------|---------|--------------------|-------------------|--------------|--------------|-----------------------------|--------------|--------------|-----------------------------|
| | Total | Employer-sponsored | Individual client | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset |
| All | 663,100 | 496,350 | 715,790 | 60,000 | 272,000 | 342,700 | 33,200 | 262,100 | 219,500 |
| 55-59 | 518,289 | 428,280 | 607,900 | 55,000 | 226,400 | 283,000 | 21,940 | 208,700 | 197,070 |
| 60-64 | 601,556 | 521,245 | 669,000 | 58,600 | 276,000 | 364,000 | 36,580 | 236,100 | 225,100 |
| 65-69 | 715,627 | 574,250 | 750,750 | 83,000 | 350,000 | 435,000 | 57,000 | 299,400 | 463,500 |
| 70-74 | 746,000 | 671,000 | 755,550 | 64,000 | 310,000 | 434,000 | 52,000 | 410,700 | 348,000 |
| 75-100 | 726,604 | 605,300 | 729,950 | 50,000 | 284,000 | 334,500 | 27,000 | 275,500 | 143,000 |

Note: HRS and SCF tabulations use sampling weights.

Table A-D2. Effect of Imposing VRI Sampling Screens: Income distribution

| | | Mean | Percentiles | | | | |
|-----|-----------------------------|---------|-------------|--------|---------|---------|---------|
| | | | 10 | 25 | 50 | 75 | 90 |
| VRI | All | 121,481 | 27,004 | 50,000 | 82,017 | 125,000 | 191,616 |
| | Employer-sponsored | 122,800 | 42,370 | 65,000 | 100,000 | 146,000 | 218,201 |
| | Individual client | 121,040 | 24,000 | 45,000 | 76,655 | 119,133 | 180,000 |
| HRS | Age eligible | 65,856 | 8,476 | 15,384 | 30,400 | 70,300 | 145,604 |
| | VRI eligible | 110,274 | 17,532 | 31,600 | 63,000 | 123,240 | 230,000 |
| | VRI eligible, 401(k) subset | 134,119 | 25,927 | 48,001 | 87,030 | 153,010 | 262,000 |
| SCF | Age eligible | 90,848 | 13,189 | 22,320 | 42,601 | 85,221 | 160,296 |
| | VRI eligible | 177,786 | 36,219 | 54,785 | 91,308 | 160,296 | 295,229 |
| | VRI eligible, 401(k) subset | 197,214 | 43,625 | 66,959 | 101,453 | 173,484 | 320,592 |

Note: HRS and SCF tabulations use sampling weights.

Table A-D3. Effect of Imposing VRI Sampling Screens: Median income by age

| VRI | | | | HRS | | | SCF | | |
|-------|--------|--------------------|-------------------|--------------|--------------|-----------------------------|--------------|--------------|-----------------------------|
| Age | Total | Employer-sponsored | Individual client | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset |
| 55-64 | 92,100 | 100,000 | 84,943 | 50,500 | 84,003 | 97,000 | 57,785 | 94,351 | 96,380 |
| 65-74 | 79,704 | 100,698 | 75,130 | 29,756 | 46,659 | 62,051 | 45,654 | 91,308 | 115,657 |
| 75- | 71,755 | 73,343 | 71,703 | 18,660 | 30,432 | 38,437 | 28,407 | 66,553 | 92,322 |

Note: HRS and SCF tabulations use sampling weights.

Table A-D4. Effect of Imposing VRI Sampling Screens: Wealth to income ratio

| | | Mean | Percentiles | | | | |
|-------------------|-----------------------------|-------|-------------|------|------|-------|-------|
| | | | 10 | 25 | 50 | 75 | 90 |
| VRI (SCF measure) | All | 42.97 | 1.95 | 4.28 | 8.37 | 15.15 | 24.13 |
| | Employer-sponsored | 57.63 | 0.96 | 2.25 | 4.93 | 8.87 | 14.31 |
| | Individual client | 38.05 | 2.74 | 5.31 | 9.77 | 17.17 | 26.30 |
| HRS | Age eligible | 44.89 | -0.04 | 0.04 | 1.46 | 5.95 | 16.39 |
| | VRI eligible | 95.97 | 0.59 | 1.50 | 3.80 | 10.39 | 24.49 |
| | VRI eligible, 401(k) subset | 25.30 | 0.64 | 1.54 | 3.35 | 8.04 | 17.38 |
| SCF | Age eligible | 3.13 | -0.21 | 0.02 | 0.76 | 3.34 | 7.94 |
| | VRI eligible | 5.70 | 0.42 | 1.20 | 3.01 | 6.51 | 13.00 |
| | VRI eligible, 401(k) subset | 4.02 | 0.26 | 1.01 | 2.21 | 4.90 | 8.24 |

Note: HRS and SCF tabulations use sampling weights.

Table A-D5. Effect of Imposing VRI Sampling Screens: Median wealth to income ratio by age

| | | VRI | | HRS | | | SCF | | |
|-------|-------|--------------------|-------------------|--------------|--------------|-----------------------------|--------------|--------------|-----------------------------|
| Age | Total | Employer-sponsored | Individual client | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset |
| 55-64 | 5.90 | 3.79 | 7.13 | 1.01 | 2.70 | 2.88 | 0.53 | 2.24 | 2.01 |
| 65-74 | 9.53 | 5.16 | 10.1 | 1.71 | 5.89 | 5.88 | 1.01 | 4.38 | 3.27 |
| 75- | 11.36 | 9.36 | 11.11 | 2.55 | 9.08 | 9.85 | 0.92 | 4.87 | 1.41 |

Note: HRS and SCF tabulations use sampling weights.

Table A-D6. Effect of Imposing VRI Sampling Screens: Education, Health, and Marital Status.

| | | VRI | | | HRS | | | SCF | | |
|----------------|---------------|--------|--------------------|-------------------|--------------|--------------|-----------------------------|--------------|--------------|-----------------------------|
| | | Total | Employer-Sponsored | Individual client | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset |
| Education | College grad. | 32.18% | 33.69% | 31.67% | 14.25% | 22.62% | 23.26% | 16.26% | 27.43% | 25.87% |
| | Post grad. | 38.45% | 26.24% | 42.53% | 14.64% | 26.36% | 30.54% | 14.32% | 28.39% | 28.55% |
| Health | Poor | 0.84% | 0.53% | 0.94% | 7.60% | 2.25% | 1.71% | 10.32% | 2.50% | 2.42% |
| | Fair | 4.77% | 3.48% | 5.20% | 19.10% | 11.10% | 9.01% | 26.19% | 15.67% | 17.02% |
| | Good | 21.77% | 22.33% | 21.58% | 31.81% | 29.39% | 30.29% | 45.34% | 55.46% | 53.51% |
| | Very good | 41.84% | 42.25% | 41.71% | 31.43% | 41.30% | 42.27% | | | |
| | Excellent | 30.78% | 31.42% | 30.57% | 10.06% | 15.95% | 16.71% | 18.14% | 26.37% | 27.05% |
| Marital Status | Coupled | 67.21% | 73.88% | 64.97% | 52.46% | 69.89% | 77.82% | 53.18% | 71.04% | 74.97% |
| | Single | 32.79% | 26.12% | 35.03% | 47.54% | 30.11% | 22.72% | 46.82% | 28.96% | 25.03% |

Note: HRS and SCF education is based on years of schooling (college grad is exactly 16 years and post-grad is more than 16 years). VRI education is based on degree attainment. SCF health has a four-point scale, while VRI and HRS health have five-point scales. HRS and SCF tabulations use sampling weights.

Table A-D7. Effect of Imposing VRI Sampling Screens: Fraction with College Degree by Age

| | | VRI | | HRS | | | SCF | | |
|-------|--------|--------------------|-------------------|--------------|--------------|-----------------------------|--------------|--------------|-----------------------------|
| Age | Total | Employer-sponsored | Individual client | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset |
| 55-64 | 68.38% | 57.61% | 78.69% | 32.12% | 48.92% | 50.30% | 40.83% | 61.96% | 60.04% |
| 65-74 | 73.08% | 66.83% | 74.18% | 26.67% | 46.78% | 55.18% | 39.48% | 66.64% | 68.12% |
| 75- | 69.52% | 54.27% | 69.82% | 21.28% | 46.03% | 64.19% | 20.85% | 52.82% | 29.06% |

Note: Education is based on attainment. HRS and SCF tabulations use sampling weights.

Table A-D8. Effect of Imposing VRI Sampling Screens: Fraction with Very Good or Excellent Health by Age

| Age | VRI | | | HRS | | | SCF | | |
|-------|--------|--------------------|-------------------|--------------|--------------|-----------------------------|--------------|--------------|-----------------------------|
| | Total | Employer-sponsored | Individual client | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset |
| 55-64 | 75.61% | 73.43% | 77.70% | 43.82% | 57.82% | 59.73% | 19.81% | 25.92% | 24.77% |
| 65-74 | 75.35% | 74.30% | 75.54% | 43.69% | 58.74% | 57.26% | 23.67% | 32.43% | 38.77% |
| 75- | 61.13% | 74.29% | 60.87% | 34.85% | 51.38% | 56.25% | 10.96% | 8.91% | 0.28% |

Note: SCF does not have ‘Very Good’ category, so the fraction captures respondents with Excellent health only. HRS and SCF tabulations use sampling weights.

Table A-D9. Effect of Imposing VRI Sampling Screens: Fraction Married or Partnered by Age

| Age | VRI | | | HRS | | | SCF | | |
|-------|--------|--------------------|-------------------|--------------|--------------|-----------------------------|--------------|--------------|-----------------------------|
| | Total | Employer-sponsored | Individual client | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset |
| 55-64 | 66.05% | 73.72% | 58.69% | 58.88% | 72.05% | 77.28% | 58.45% | 71.78% | 73.27% |
| 65-74 | 68.65% | 74.82% | 67.57% | 56.60% | 69.95% | 79.06% | 56.26% | 72.70% | 78.88% |
| 75- | 66.26% | 65.72% | 66.26% | 36.46% | 60.74% | 80.57% | 40.23% | 60.82% | 97.12% |

Note: HRS and SCF tabulations use sampling weights.

Table A-D10. Effect of Imposing VRI Sampling Screens: Retirement Rate by Age

| Age | VRI | | | HRS | | | SCF | | |
|--------|--------|--------------------|-------------------|--------------|--------------|-----------------------------|--------------|--------------|-----------------------------|
| | Total | Employer-sponsored | Individual Client | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset | Age Eligible | VRI Eligible | VRI eligible, 401(k) subset |
| All | 55.80% | 17.78% | 68.52% | 63.99% | 53.23% | 36.70% | 56.56% | 33.92% | 16.87% |
| 55-59 | 9.43% | 4.57% | 14.75% | 24.42% | 19.61% | 13.84% | 19.88% | 7.65% | 5.34% |
| 60-64 | 26.68% | 12.39% | 38.86% | 50.25% | 42.05% | 34.10% | 38.62% | 24.56% | 15.90% |
| 65-69 | 62.14% | 34.13% | 69.91% | 76.50% | 73.16% | 66.15% | 59.72% | 44.39% | 34.15% |
| 70-74 | 81.23% | 57.96% | 83.31% | 87.18% | 85.16% | 80.70% | 77.06% | 67.07% | 49.44% |
| 75-100 | 91.38% | 74.29% | 91.72% | 91.57% | 92.95% | 90.84% | 92.16% | 87.37% | 69.44% |

Note: HRS retirement rate includes respondents with partial retirement. For SCF retirement rate variable ‘OCCAT1’ in the public version of data is used. Households are defined to be retired if ‘OCCAT1=3’, which also includes disabled, age +65 and not working, etc. HRS and SCF tabulations use sampling weights.