

### The Composition of Net Worth by Risk Characteristics

	Top 1 Percent of Households By Net Worth					Averages	
	1962	1983	1989	1992	1995	Top 1% 1962-95	0-98.9% 1962-95
<i>Net Financial Assets</i>	59.8	34.5	31.0	31.2	40.0	39.3	33.6
Safe	16.8	11.0	14.0	12.6	17.5	14.4	22.2
Clearly safe	4.0	3.7	7.2	5.6	7.1	5.5	12.4
Probably safe	12.9	7.3	6.8	7.0	10.4	8.9	9.9
Risky	43.5	25.6	17.8	19.2	23.0	25.8	13.8
Clearly risky	28.1	14.6	7.3	9.7	10.6	14.1	5.3
Probably risky	15.4	11.0	10.5	9.5	12.4	11.8	8.5
Unsecured debt	0.6	2.1	0.9	0.6	0.5	1.0	2.5
<i>Net Non-financial assets</i>	12.9	26.2	30.6	29.9	18.6	23.6	51.5
Primary residence	4.3	7.0	6.9	7.3	5.5	6.2	34.1
Investment real estate	6.0	18.3	20.0	20.4	10.5	15.0	11.2
Vehicles	0.4	0.3	0.7	0.7	0.7	0.5	4.5
Other non-financial assets	2.2	0.5	2.9	1.4	2.1	1.8	1.7
<i>Business</i>	27.3	39.3	38.5	39.0	41.4	37.1	15.0
Memo:							
Risky assets – narrow	29.0	14.6	7.4	9.8	10.8	14.3	5.4
Risky assets – broad	76.8	83.2	76.3	78.6	74.9	78.0	40.0
Risky assets – broadest	89.7	90.5	83.0	85.6	85.2	86.8	49.9
Mortgage debt / total debt	14.1	12.8	10.6	22.6	31.8	18.4	66.6
Real estate debt / real estate assets	15.7	13.3	22.1	17.8	21.1	18.0	29.2

#### Definitions of asset classifications:

**Clearly safe** includes transaction accounts (checking, saving, money market, and call accounts), certificates of deposit, and US Savings bonds

**Probably safe** includes state/local bonds, probably safe mutual funds, probably safe defined contribution pensions minus any loans against those pensions, and the cash value of life insurance policies minus any loans against those policies

**Clearly risky** includes stocks minus any call account debt

**Probably risky** includes bonds (all types but state/local and US Savings), other managed assets, other financial assets, probably risky mutual funds, and probably risky defined contribution pensions minus any loans against those pensions

**Risky assets - narrow** consists of direct stock holdings

**Risky assets - broad** consists of clearly risky and probably risky assets, plus businesses and investment real estate

**Risky assets - broadest** consists of all assets in the broad definition and probably safe assets

Definitions of probably risky and probably safe mutual funds and defined contribution pensions are in the notes.

Sources: Survey of Financial Characteristics of Consumers and Surveys of Consumer Finances