

Older Households Account For 40% of United States' Home Equity

By Cassandra Dowell | March 3, 2015

The majority of Americans 65 and older — four out of five — are homeowners, and few need to worry about making mortgage payments, according to a new Merrill Lynch [retirement Study](#) conducted in partnership with Age Wave.

The findings are based on a survey of more than 3,600 respondents nationwide.

More than seven in 10 Americans 65 and older have fully paid off their mortgages, data show.

“Compared to younger generations, our older populations are largely living rent and mortgage free,” said Ken Dychtwald, president and CEO of Age Wave, during a presentation of the report.

Moreover, the equity they have built in their homes during their lifetime can represent a substantial part of their overall net worth, he said. On average, home equity among homeowners age 65 and older is more than \$200,000, data show. Age 65 and older households represent 22% of all U.S. households, but account for 40% of home equity.

And for many Americans 50 and older, being able to age in place is their No. 1 preference.

Eighty-five percent say, if needed, they would prefer to receive extended care in their home, followed by 10% who said an assisted living facility was their top choice. Four percent said the home of a family member would be their top preference to receive care, and only 1% said a nursing home.

New services, technologies and options are enabling a greater number of people to receive care at home, Dychtwald said.

Age 55 and older households account for nearly half (47%) of all spending on home renovations, or about \$90 billion annually, data show. Of these households spending money on home renovations, 28% are adding safety features to accommodate aging, and 15% are modifying their home to live on one floor should there be trouble with stairs.

Retirement and financial planners need to bring “the home” into their dialogue with clients, said Andy Sieg, head of Global Wealth & Retirement Solutions for Bank of America Merrill Lynch.

“Home should not just be discussed when refinancing a mortgage,” he said. “The emotional factors involved, decisions that impact families and ties to health — this is the most [pressing] financial topic clients and advisors should be speaking about.”

Access “Home in Retirement: More Freedom, New Choices” [here](#).

Original URL: <http://reversemortgagedaily.com/2015/03/03/older-households-account-for-40-of-united-states-home-equity/>