

Assets, Debts, and Wealth in California

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Why study wealth?

- Wealth – what you own minus what you owe – supports economic security and mobility for everyone
- Californians are highly aware of the challenges of building assets, and of economic inequality in the state
- Little research has explored net worth at the state level, focusing instead on household income flows

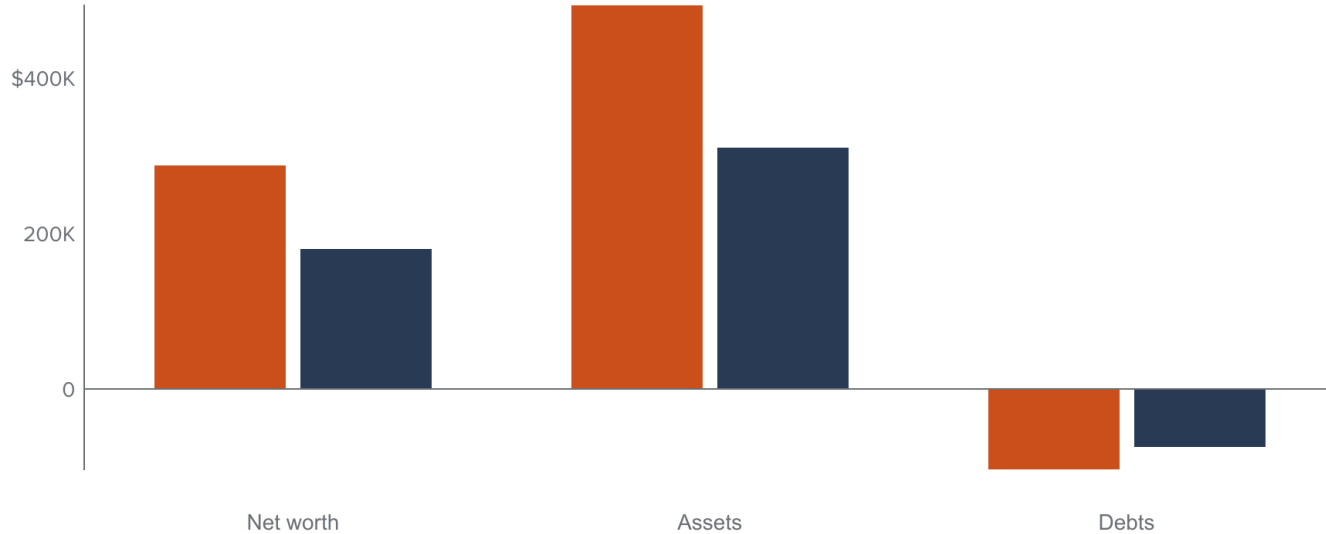
Key takeaways

- California households typically have more wealth than those in the rest of the country
- Home equity and retirement accounts are high value assets
- Education debt is the largest unsecured debt
- Assets, debts, and wealth vary substantially across households
- The gap between high and low wealth households is wide

California households have more wealth than those in other states

Median dollar amounts

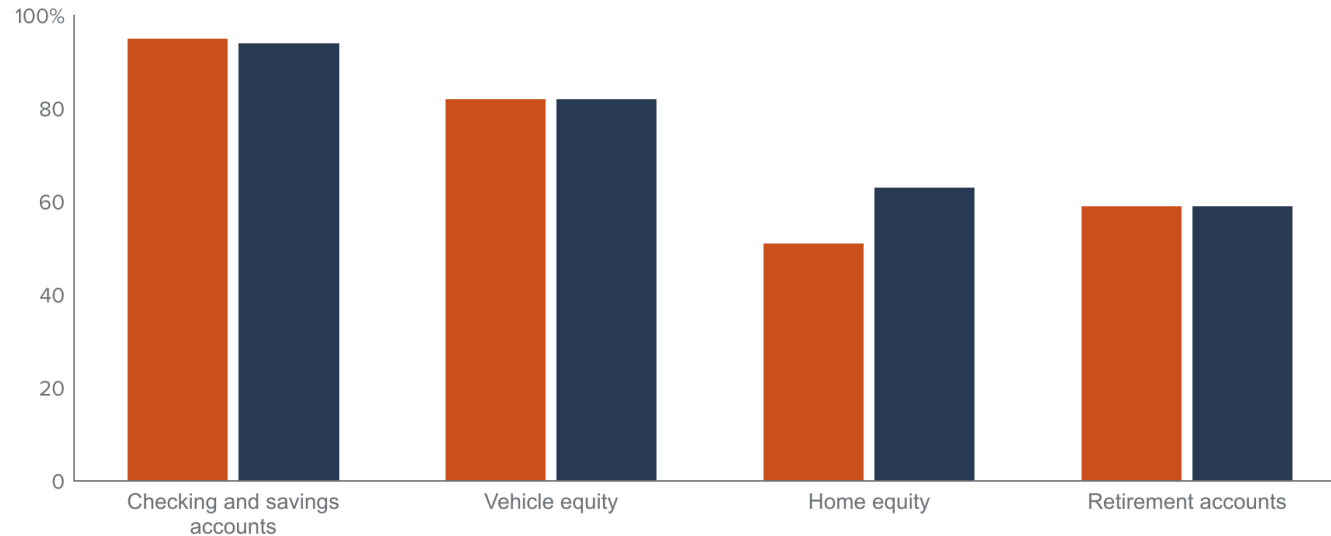
California Rest of US



Bank accounts and vehicle equity are the most common assets . . .

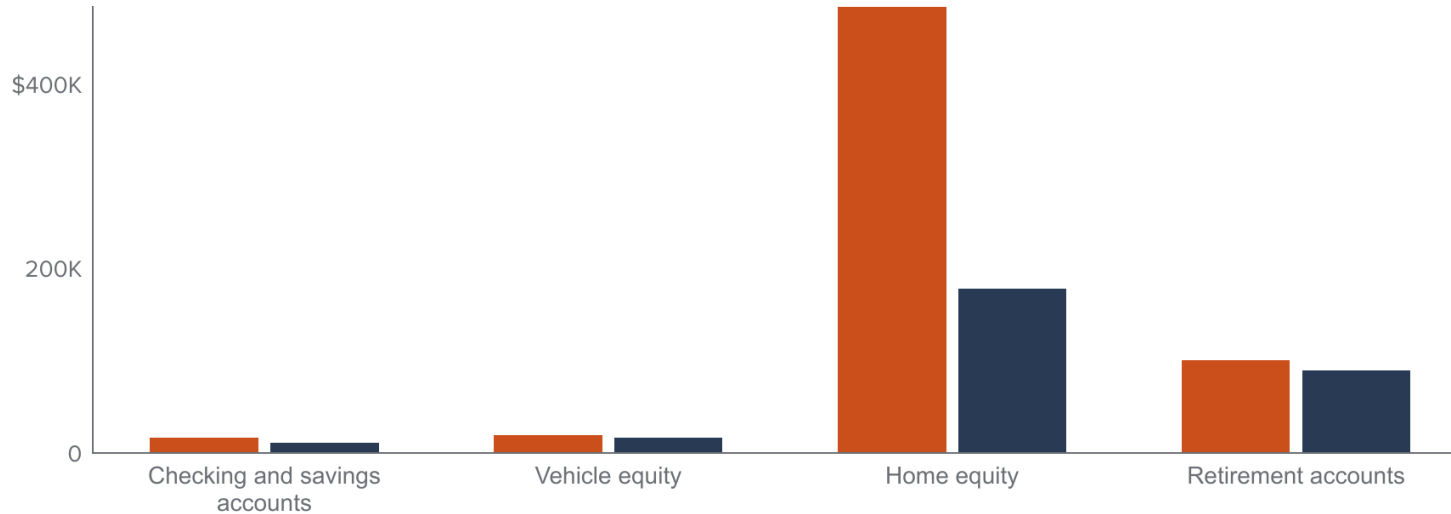
% with any

CA Rest of US



... but home equity and retirement accounts have the highest values

CA Rest of US

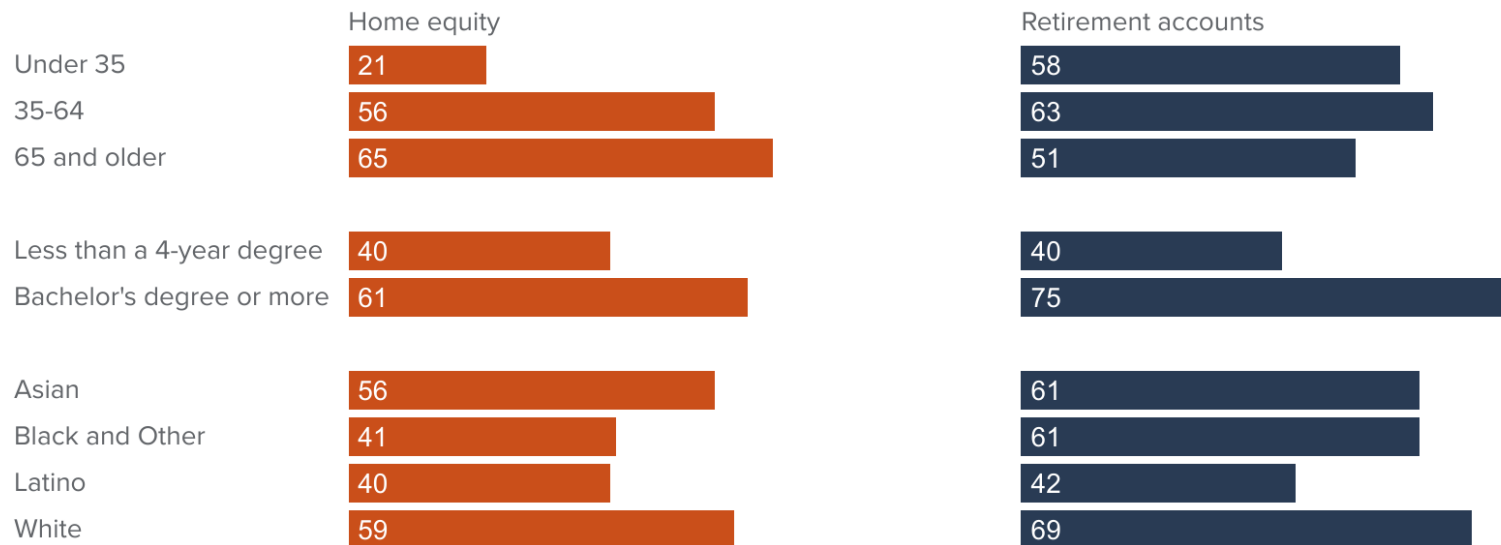


Note: Chart shows amounts among households with any assets in source.

Asset portfolios vary across groups

% with any

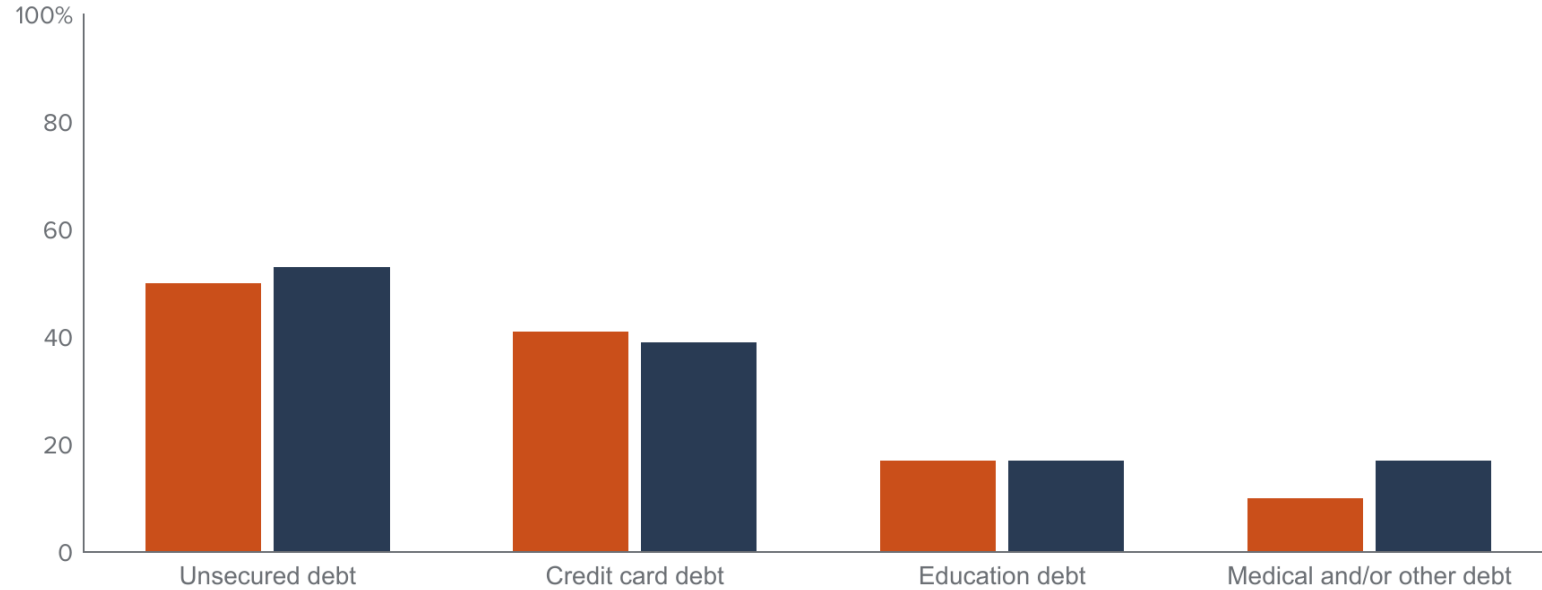
■ Home equity ■ Retirement accounts



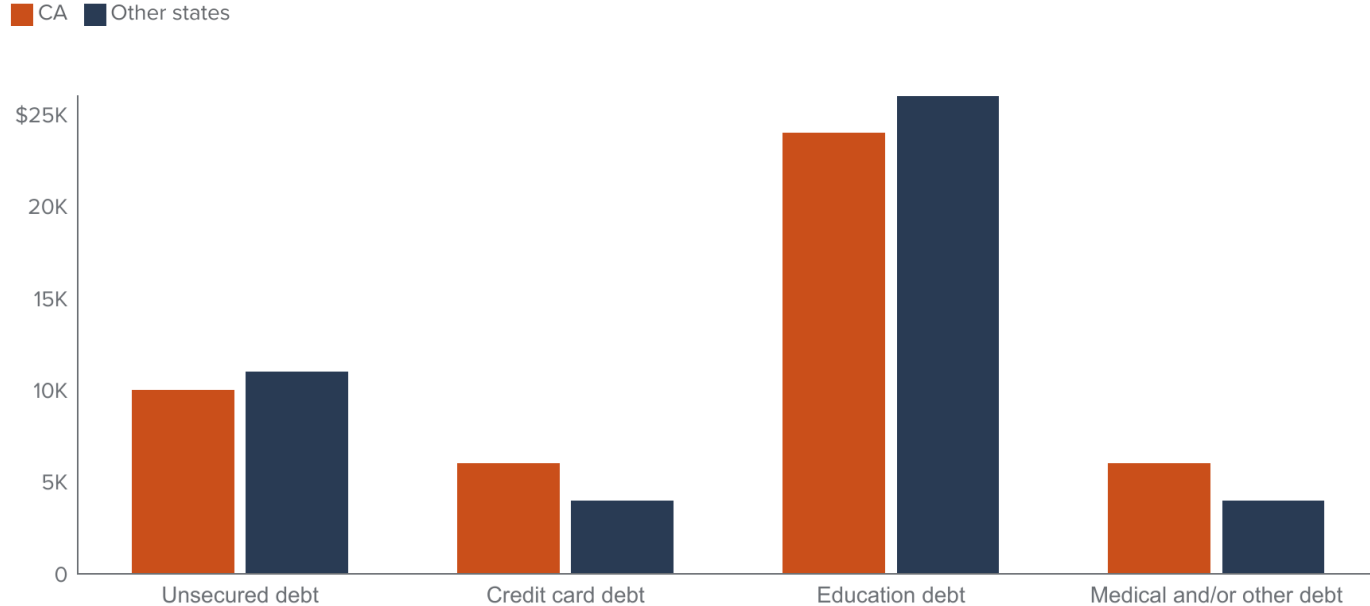
Credit card debt is common . . .

% with any

CA Rest of US



... but student loans are typically the largest unsecured debts

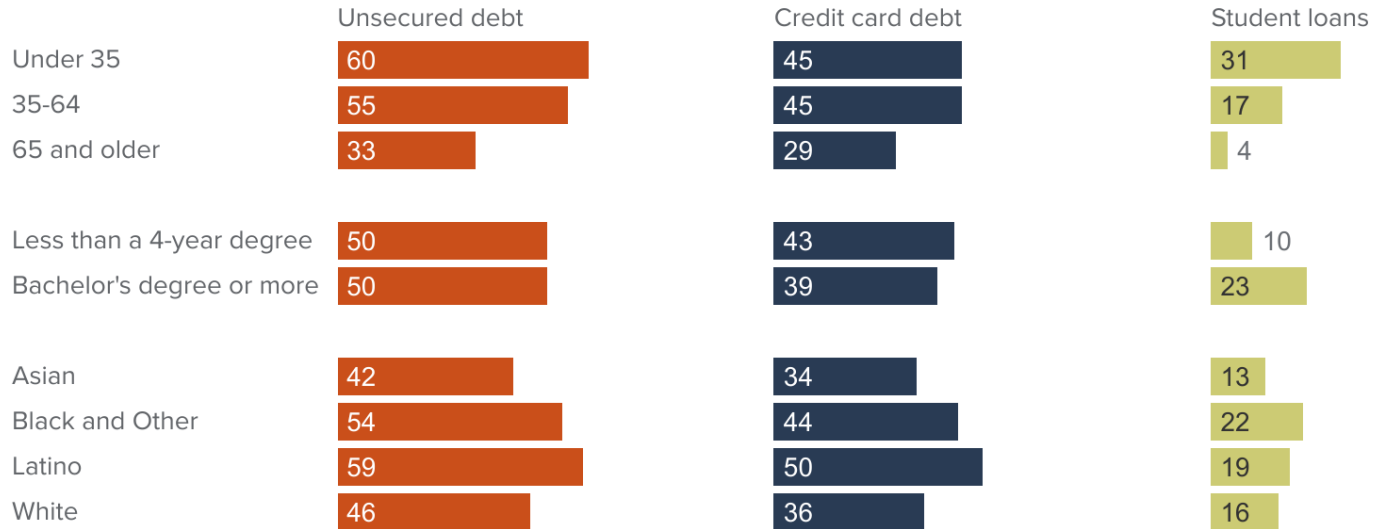


Note: Chart shows amounts among households with any debt in source.

Type of debt also varies across households

% with any

Unsecured debt Credit card debt Student loans



Wide gaps exist between high and low wealth levels

- In California, households near the top have more than 100 times as much wealth as those near the bottom
 - \$1.3 million vs. \$12,000
- Increases at the top and stagnation at the middle and bottom contribute to growth in nationwide gap
- High levels of economic inequality associated with
 - reduced economic activity and economic mobility
 - less political participation

Wealth gaps track gaps in asset- and debt-holding

Median net worth



How do state and local policies aim to support wealth-building?

- Financial assistance for first-time homebuyers
- Encouraging and seeding savings accounts
- Increasing financial literacy
- Expanding access to credit
- Reducing unsecured debt

Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.