

Consumer Debt

1) The table below lists the increase in consumer debt in the four years between the 4th quarter of 2019 and 2023. For each consumer debt category and for total debt, calculate the percentage increase in the total balance. Round your answers to the nearest 1/10th percent. Mortgage debt is done for you as an example.

$$\$12.25 - \$9.56 = \$2.69 \quad \$2.69 / \$9.56 = .2813 = 28.1\%$$

Debt Type	Total Balance (4th Quarter, 2019)	Total Balance (4th Quarter, 2023)	Percentage Increase
Mortgage Debt (Excluding HELOCs)	\$ 9.56 Trillion	\$12.25 Trillion	28.1%
Home Equity Lines of Credit (HELOCs)	\$.39 Trillion	\$.36 Trillion	- 7.7%
Auto Loans	\$ 1.33 Trillion	\$ 1.61 Trillion	21.1%
Credit Card Debt	\$.93 Trillion	\$ 1.13 Trillion	21.5%
Student Loan Debt	\$ 1.51 Trillion	\$ 1.60 Trillion	6.0%
Other	\$.43 Trillion	\$.55 Trillion	27.9%
Total Debt	\$14.15 Trillion	\$17.50 Trillion	23.7%



2) Why do you think the pandemic caused an increase in consumer debt?



3) Why do you think inflation has caused an increase in consumer debt?

4) In 2020 the Stuarts bought their first home with a \$120,000 30 year mortgage at 3% interest. Their monthly payment was \$505.92. What would be the total cost of the home in 30 years? **\$182,131.20**

In 2024 the Watkins bought their first home with a \$120,000 30 year mortgage at 7% interest. Their monthly payment was \$798.36. What would be the total cost of the home in 30 years? **\$287,409.60**