

# Big bang theory

Resuming student loan payments with interest at the end of the summer after a three year federal program pause could trigger a tidal wave of defaults according to a new report. Those ages 25 to 34 are most likely to hold student loan debt, but the highest total debt (over \$600 billion) is owed by those 35 to 49. Of these two groups, 37.8 percent are renters and 36.9 percent are renters, respectively.



**6million**  
people or 20 percent of student loan borrowers carry high risk of default



**1in13**  
student loan borrowers are currently behind on other obligations



**2.5million**  
borrowers show signs of stress with late payments on other debt (credit cards, auto loans)

## Percent of student loan borrowers

60-plus days delinquent on other credit products (car loans, credit card payments)

percentage of borrowers





**\$116.6 billion**

in student loan debt of **3.4 million** borrowers has to date has been expunged via Biden's EOs

**\$1,800**

average "other" debt taken out by students whose ed loans were paused—along with \$1,500 more in student debt



**\$20,000**

Biden's attempted per student debt reassignment to taxpayers via Executive Order



**over-reach**

The U.S. Supreme Court found Pres. Biden overstepped in his powers and circumvented Congress's power to make laws regarding spending



**\$3.8 billion**

Pres. Biden struck back at the Court's legal check by launching "SAVE" another program reassigning 804,000 students' debt to taxpayers

**HH debt, credit developments Q1 2023**

CATEGORY	QUARTERLY CHANGE (\$ BILLIONS) 2022 Q4/ 2023 Q1	ANNUAL CHANGE (\$ BILLIONS) 2022 Q1 v 2023 Q1	TOTAL AS OF 2023 Q1 (\$ TRILLIONS)	90+ DELIN-QUENT 2022 Q1	90+ DELIN-QUENT 2022 Q1
MORTGAGE DEBT	(+) \$121	(+) \$864	\$12.04	0.34%	0.59%
HOME EQUITY CREDIT LINE	(+) \$3	(+) \$22	\$0.34	0.26%	0.48%
STUDENT DEBT	(+) \$9	(+) \$14	\$1.60	1.05%	0.94%
AUTO DEBT	(+) \$10	(+) \$93	\$1.56	1.61%	2.33%
CREDIT CARD DEBT	(+) \$0	(+) \$145	\$0.99	3.04%	4.57%
OTHER	(+) \$5	(+) \$67	\$0.51	2.88%	4.35%
<b>TOTAL DEBT</b>	<b>(+) \$148</b>	<b>(+) \$1,205</b>	<b>\$17.05</b>	<b>0.71%</b>	<b>1.08%</b>



SOURCE: CONSUMER FINANCIAL PROTECTION BUREAU'S CONSUMER CREDIT PANEL, JUNE 7, 2023; THOMAS CONKLING, CRISTA GIBBS; IPROPERTYMANAGEMENT.COM, JULY 12, 2022; DATA: CFPB; CONSUMER CREDIT PANEL, THE FEDERAL RESERVE BANK OF NEW YORK'S CENTER FOR MICROECONOMIC DATA. QUARTERLY REPORT ON HOUSEHOLD DEBT AND CREDIT; DAILY WIRE

**How we got here**

Infusing higher education with a historic level of low cost, low barrier government money (student loans) effectively drove market price of education upward.



**Big picture economics**

Household debt rose q/q by **\$148 billion** in Q1 2023



**\$17.05T**

total household debt as all non-housing balances grew by **\$24 billion** q/q

**Student loan not-so-fun facts**

The total outstanding student loan debt is now the second highest debt in the nation following mortgages. While mortgages can indirectly impact rents where owners must service the loans on the rental property, student debt directly impacts the solvency of renters by virtue of their monthly loan obligations.