

Consumer Credit Insights

Total Debt in Third District States

BY ALAINA BARCA¹

Percentage of consumers with debt, 2025Q1

77%	76%	74%	75%
New Jersey	Delaware	Pennsylvania	United States



Average total debt, 2025Q1

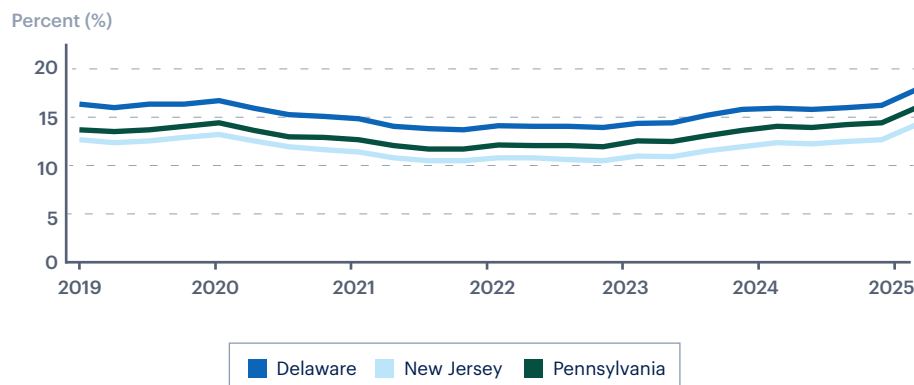
\$87,900	\$84,300	\$65,900	\$82,100
New Jersey	Delaware	Pennsylvania	United States

New data from the Federal Reserve Bank of Philadelphia's Consumer Credit Explorer (CCE) offer insights into consumer credit conditions in the Federal Reserve's Third District states: Delaware, New Jersey, and Pennsylvania.² This brief uses data from the CCE to highlight key trends in total consumer debt as of the first quarter of 2025 ("2025Q1").³

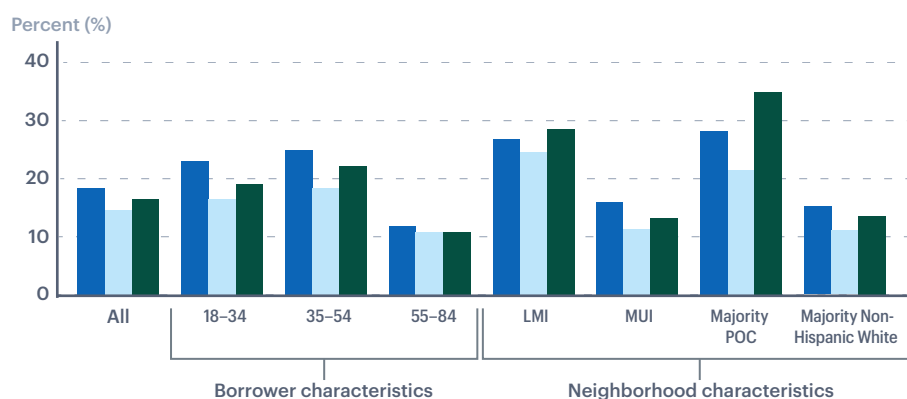
Total Debt Overall

About the same share of consumers in Third District states had debt in 2025Q1 compared with the same period a year before, although more New Jersey and Delaware consumers carried debt than all U.S. consumers.⁴ Average inflation-adjusted total debt has remained relatively stable in the past year.⁵ In 2025Q1, average total debt was \$65,900 in Pennsylvania, \$84,300 in Delaware, and \$87,900 in New Jersey. Generally, average total debt and shares of consumers with debt were higher in middle- and upper-income (MUI) neighborhoods and neighborhoods that are majority non-Hispanic White compared with low- and moderate-income (LMI) neighborhoods and neighborhoods that are majority people of color (POC).⁶

PERCENTAGE OF BORROWERS WITH SEVERELY DELINQUENT DEBT



PERCENTAGE OF BORROWERS WITH SEVERELY DELINQUENT DEBT, 2025Q1



¹ The views expressed here are those of the author and do not necessarily represent the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

² The Federal Reserve's Third District is a region that covers eastern and central Pennsylvania, southern New Jersey, and Delaware. Data shown are for the entirety of each state.

³ All series included in this brief are publicly available via the CCE, an interactive tool for examining quarterly trends in consumer credit use at the regional, state, and national levels, available at www.philadelphiafed.org/surveys-and-data/community-development-data/consumer-credit-explorer. The tool's series are generated using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax Data, which is a nationally representative dataset of anonymized individual credit files. Refer to the CCE for more details on data and methodology. This brief is part of a series that highlights regional trends in CCE data across different debt types. The related briefs are available at www.philadelphiafed.org/community-development/credit-and-capital/consumer-credit-insights-debt-in-third-district-states.

⁴ Calculated as the number of consumers with total debt greater than \$0 divided by the total number of consumers in the sample. Total debt includes all accounts in the CCE data, including auto debt, mortgage debt, credit card debt, home equity line of credit debt, student loan debt, retail financing, general consumer finance, and debt classified as "other."

⁵ This refers to the average total balance for borrowers with outstanding debt (greater than \$0). All dollar figures are reported in 2025Q1 dollars, adjusted using the BEA Personal Consumption Expenditures deflator.

⁶ LMI neighborhoods are census tracts in which the 2016–2020 American Community Survey (ACS) median family income (MFI) is less than 80 percent of the MFI in the associated metropolitan statistical area (MSA) or non-MSA counties in the state, while MUI neighborhoods are census tracts in which the MFI is greater than or equal to 80 percent. Majority-POC neighborhoods are census tracts in which more than 50 percent of residents identify their race as anything other than White alone or their ethnicity as Hispanic or Latino in the 2016–2020 ACS, while majority non-Hispanic White neighborhoods are census tracts in which more than 50 percent of residents identify their race as White alone and their ethnicity as non-Hispanic.

Delinquencies and Collections

The share of borrowers with severely delinquent debt has been on the rise in Third District states, most recently reaching levels not seen in over 10 years.⁷ This is heightened for some borrowers: In 2025Q1, about one-quarter of borrowers living in LMI neighborhoods across the three states and one-third of borrowers in majority-POC neighborhoods in Pennsylvania had severely delinquent debt. Borrowers under 55 years old also had higher rates than borrowers 55 and older. Some regions in the Third District had a higher share of severely delinquent borrowers than others, including the Vineland, NJ, Dover, DE, and Scranton–Wilkes-Barre, PA, metropolitan areas.

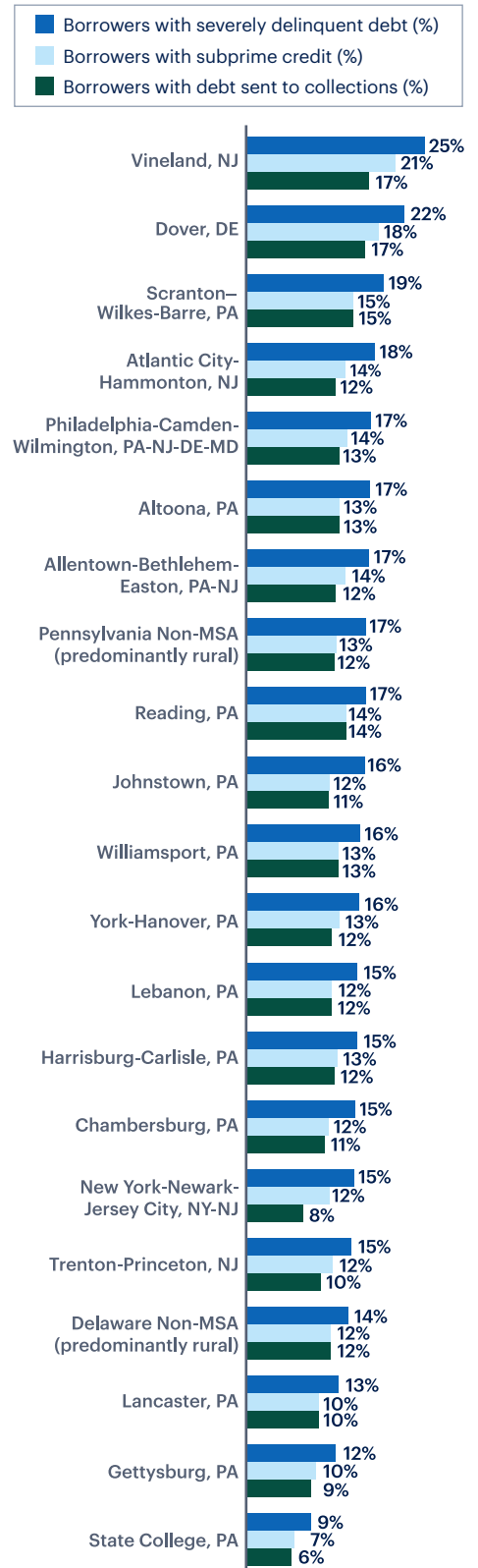
The share of borrowers in Third District states with debt in collections has increased in the past year, reaching 15

percent in Delaware, 9 percent in New Jersey, and 12 percent in Pennsylvania.⁸ Borrowers under 55 years old and those living in LMI or majority-POC neighborhoods are overrepresented in these estimates, including 24 percent of 35- to 54-year-olds in Delaware and 25 percent of Pennsylvania borrowers in majority-POC areas.

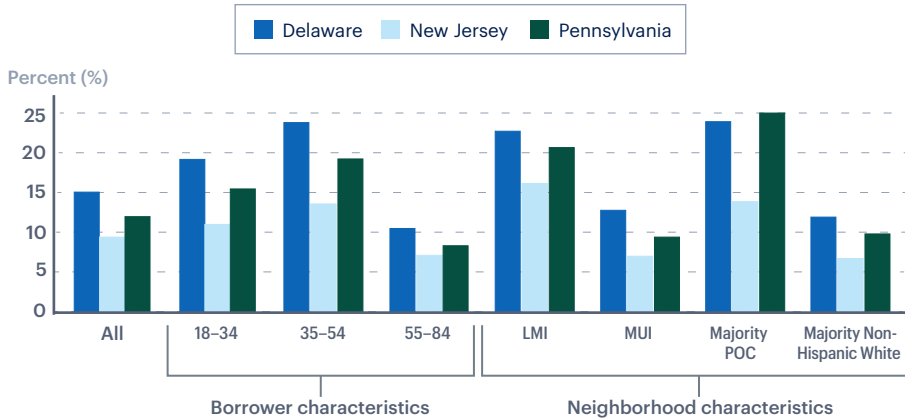
Subprime Credit

The share of consumers with subprime credit has been on the rise since early 2022, with rates among borrowers in LMI neighborhoods reaching as much as double those of their MUI counterparts.⁹ Regionally, borrowers in the Vineland, NJ, Dover, DE, and Scranton–Wilkes-Barre, PA, metropolitan areas were most likely to have debt sent to collections or to have subprime credit in 2025Q1.

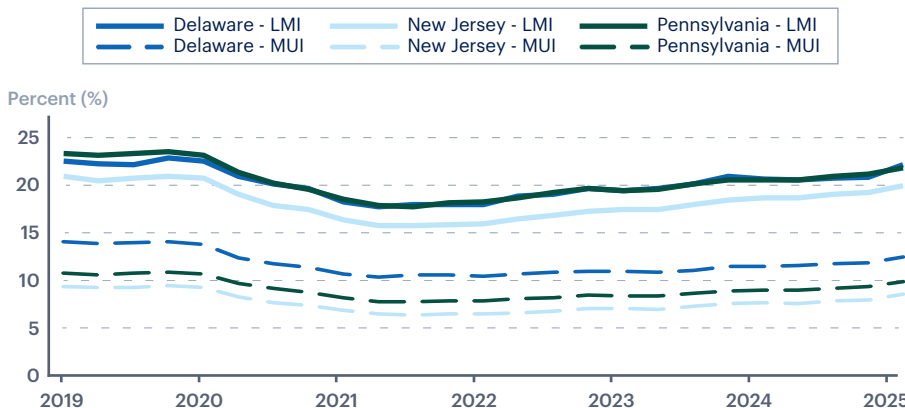
TOTAL DEBT BY METROPOLITAN AREA, 2025Q1



PERCENTAGE OF BORROWERS WITH DEBT IN COLLECTIONS, 2025Q1



PERCENTAGE OF BORROWERS WITH SUBPRIME CREDIT



⁷ Calculated as the number of borrowers with at least one severely delinquent account divided by the number of borrowers with total debt greater than \$0. The share of Delaware borrowers with severe delinquencies last exceeded its 2025Q1 value of 18.0 percent in 2013. The 2025Q1 shares of borrowers with severely delinquent debt in New Jersey (14.5 percent) and Pennsylvania (16.2 percent) are the highest for their respective areas since the start of our series in 2005, including during the aftermath of the Great Recession.

⁸ This refers to the share of all consumers in the sample with at least one third-party collection recorded on their credit report. Resolved collections may appear on credit reports for up to seven years.

⁹ This refers to the share of all consumers in the sample with an Equifax Risk Score (i.e., an Equifax-calculated credit score) less than 600. The Equifax Risk Score ranges from 280 to 850, with a lower score indicating a higher risk of future delinquency.



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