

Discussion Papers

Which Debt Payments Do Borrowers Prioritize? Evidence from 2025–2026 Consumer Survey Data

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Abstract

This paper uses survey data to examine how consumers prioritize their monthly debt payments for housing (including rent), auto, credit card, and student loan debt when they are unable to pay all their monthly bills. We employ a novel approach to establish a clear debt payment hierarchy: Housing payments (mortgage or rent) are prioritized most, followed by auto loans, credit cards, and student loans. This hierarchy is robust across five quarters of the survey and a variety of demographic segments that differ in financial circumstances and levels of financial literacy. The prioritization we observe in our survey data generally aligns with the rank ordering of transition rates into serious delinquency across loan types observed in credit bureau data. At the same time, we find that some more financially vulnerable populations (such as renters, lower-income individuals, and those with less education) deprioritize nonhousing debt payments more severely than their counterparts in order to prioritize their housing payments. These findings highlight the central role of housing in household financial stability and suggest that housing-related financial shocks may have downstream effects on payments of nonhousing debts, particularly for financially vulnerable populations.

Keywords: Consumer debt payment hierarchy, debt prioritization, survey data

JEL Classification: G51, D14

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1 Introduction

Managing bills and debt payments is a routine but consequential part of consumers’ financial lives. Each month, households juggle a range of financial obligations, including mortgage or rent payments, auto loans, credit cards, student loans, utilities, and other bills, each with its own due date and consequences for missing it. Staying current on these payments is important for financial stability because it helps consumers build and maintain credit while avoiding the financial penalties incurred from missed or late payments.

Many households carry multiple financial obligations simultaneously and often face financial constraints that make it difficult to keep up with all their monthly bills and payments. Income shocks, irregular income, unexpected expenses, tight budgets, or rising prices can add up to situations in which, in some months, a consumer may not be able to pay every bill and debt in full and on time. Surveys show that this is a fairly common challenge: While estimates tend to vary due to sampling and wording variations, a meaningful share of Americans report experiencing difficulty paying all their monthly bills.¹ These consumers face a choice between which bills/debts to pay and which to delay or skip in a given month.

This brings us to the main question of this paper: When consumers have competing debts and limited resources, which debts do they pay first and in what order? The choice a financially constrained consumer makes about how to prioritize their debts has been referred to as the *debt (re)payment hierarchy*: The ranking that determines which debts get paid first when not all can be paid in full. Patterns of repayment prioritization help us understand how consumers make decisions under financial distress. These debt payment choices and priorities matter not only for individual consumers’ financial stability but also have implications for lenders, policymakers, and retail credit markets more broadly. The order in which households pay their debts shapes delinquency patterns across debt types. Lenders incorporate this information into their lending decisions by adjusting loan pricing (through interest rates) and the supply of credit (see Abdymomunov et al. 2025; Bord and Nathe 2022; Edelberg 2006). Understanding the pattern of debt prioritization can inform the design of credit products and financial policies that take into account borrower behavior and differential default risks across loan categories.

Much of what we know about the consumer debt payment hierarchy comes from studies that use

¹ The CFPB’s Making Ends Meet Survey found that in January 2024, 43 percent of U.S. households had “difficulty paying for a bill or expense in the last 12 months” (Fulford et al. 2024). Pew Research Center found that in April 2025, 25 percent of U.S. adults could not “pay some bills or could only make partial payments in a typical month” (Parker and Lin 2025). The Federal Reserve’s Survey of Household Economics and Decisionmaking (SHED) found that in October 2025, 16 percent of U.S. adults did not “pay all their bills in full last month” (Federal Reserve Board 2026). The Philadelphia Fed’s Labor, Income, Finances, and Expectations (LIFE) Survey found that in April 2026, 22 percent of U.S. adults said could not “pay some or any bills in full this month” (Akana 2026).

administrative data from credit bureaus to examine the relationship between delinquency rates across types of debt such as mortgages, credit cards, and auto loans (e.g., Arnesen et al. 2021; Braga et al. 2019; Conway and Plosser 2017; Conway et al. 2025; Komos et al. 2012). Those studies find that consumers generally prioritize secured debt over unsecured debt, but payment priorities are not static: The relative ranking of debts has shifted over time, including around the Great Recession, when traditional patterns of prioritizing mortgages over other debts were disrupted before returning to historical norms years later (Calem et al. 2017; Conway and Plosser 2017; Conway et al. 2025). Prior research has been important in establishing that the relative prioritization of debts likely reflects consumers’ calculations of the consequences of delinquency for different debt types, and that prioritization may be dynamic and responsive to economic conditions.

Survey data can serve as a valuable complement to administrative data in studying consumer repayment prioritization for at least three reasons. First, surveys can measure consumers’ intended or planned repayment behavior, i.e., which debt payments they plan to pay in full, pay partially, or skip in a given month. By capturing a forward-looking prioritization that precedes what may eventually appear in credit bureau records, survey data may provide a *preview* of expected debt payment behavior before its realized outcome.

Second, surveys can ask about rent payments (and where they stand in the payment hierarchy), which are not included in credit bureau data in most cases.² While many see rent as technically not a debt (although unpaid rent is considered a collectible debt), it is a major monthly financial obligation for a substantial share of households,³ many of whom carry other types of debt alongside it. Excluding rent from the analysis misses a significant financial obligation that renters must weigh against other competing payments each month.

Third, credit bureau data offer limited ability to examine how repayment patterns and priorities vary across consumer characteristics, typically restricting analyses of heterogeneity to comparisons by age, region, credit score, or using imputed demographic data that are not always reliable (Gibbs et al. 2023). Surveys, by contrast, can collect a richer set of consumer profile data, allowing researchers to examine payment prioritization patterns across a wider range of demographic characteristics, including income, education, race, or other factors related to individuals’ financial situation, experience, and sophistication.

² Rent payments are not typically reported to credit bureaus unless landlords or renters enroll in third-party rent-reporting services.

³ According to data from the U.S. Census Bureau, renters account for 35 percent of all occupied housing units in the country, totaling 46.4 million households as of 2026 Q1.

2 Debt Payment Prioritization: Consumer Survey Data

This paper uses repeated cross-sectional survey data from the Labor, Income, Finances, and Expectations (LIFE) Survey fielded in five waves: July 2025, October 2025, January 2026, April 2026, and July 2026. The LIFE Survey is a quarterly online survey conducted by the Consumer Finance Institute (CFI) at the Federal Reserve Bank of Philadelphia.⁴ Each quarter, the survey collects data from a newly drawn, national sample of 5,000 U.S. adults on various topics related to personal finance, including earning, spending, borrowing, saving, and investing, as well as economic sentiment, current financial situations, and future expectations. Each sample is weighted to match the U.S. adult population on key demographics such as age, gender, race and ethnicity, education level, and census region.

The core quarterly survey series includes questions on managing and repaying debt, which ask about the types of debts or financial obligations respondents currently hold and their repayment experiences and behavior. The key measure of debt payment prioritization is based on items that assess behavioral preferences across different debt types. Specifically, for each of four common types of consumer debt (mortgages or rent,⁵ auto loans, credit cards, and federal student loans), respondents are asked how they would allocate their funds when faced with financial constraints that adversely affect their ability to cover all monthly bills and payments. For each category of debt they currently have,⁶ respondents indicate whether they would make a full monthly payment, a partial payment, or no payment this month.⁷ While these questions do not *directly* ask respondents to rank their priorities, comparing which monthly debt payments they intend to pay in full versus only partially or not at all can reveal the relative priority they assign to each debt type.

2.1 Descriptive Analysis

A useful starting point, before any statistical modeling, is to examine the descriptive patterns in the data. Pooling responses across the five quarters from July 2025 to July 2026, Figure A1 in the Appendix shows the share of respondents willing to make a full monthly payment for each of the four debt types, conditional on currently holding that debt. Among those who have a monthly housing payment, 78.1 percent said they would pay it in full, the highest share of any debt type. Auto loans come next, with 73.7 percent of auto loan borrowers saying they would make the full monthly payment on their auto loan,

⁴ For more information, visit: <https://www.philadelphiafed.org/surveys-and-data/consumer-finance-data/life-survey>.

⁵ For simplicity, we treat rent payments in the same manner as payments on loans and lines of credit.

⁶ The survey asks everyone about all four debt types. These responses are later recoded based on which debts each respondent actually has, setting responses to missing for debts they do not hold. For example, for a respondent with only a mortgage and an auto loan, their credit card and student loan responses are coded as missing.

⁷ “Full monthly payment” is defined as paying at least the minimum payment for credit cards and the required monthly payment for all other debt categories.

followed by credit cards, with 53.8 percent of credit card holders saying the same about their monthly credit card payment. Student loans show the lowest share, with 27.6 percent of borrowers willing to pay the full monthly payment.⁸

An important caveat with this descriptive analysis is that these percentages are calculated separately for each debt type’s holders. In other words, the figures indicate varying levels of payment commitment across the populations holding each debt type, which may reflect differences in the characteristics of these borrower populations, rather than how individuals consider their multiple debts and prioritize across them. People carrying different types of debt may differ in demographic and behavioral characteristics that correlate with repayment ability and attitudes. If borrowers of one debt type are simply more willing or able to repay than borrowers of another debt type, that baseline group difference would be reflected in the observed variation in the shares of each debt group reporting the full payment. Which types of debt are held by which types of borrowers (and how they differ in terms of repayment commitment) is distinct from which debts are prioritized when the same borrower must allocate resources across multiple debts (true payment prioritization).

To examine true payment prioritization, i.e., how individuals rank their debts when holding multiple types of debt, the analysis requires comparing how the same person treats different debts while holding borrower characteristics constant. The next section takes this approach, focusing on consumers who hold more than one type of debt and using a regression model that leverages within-person variation in repayment preferences across debt types.

2.2 Regression Analysis

Given a consumer with multiple debts, which debts do they prioritize? To address this, the data are structured at the person-debt-type level, with each row corresponding to a respondent’s payment response for each type of debt. The analysis is restricted to respondents who hold two or more debt types, as prioritization is only observed when a person faces a choice among competing debts. For example, if a person who has both an auto loan and a student loan chooses to pay a full monthly payment on their auto loan but not on their student loan, this indicates that the auto loan takes priority over the student loan in their decision. Those with only one debt face no such trade-off that requires prioritization. Table A1 in the Appendix presents summary statistics for key variables and demographic characteristics of the final sample used in this analysis.

⁸ It should be mentioned that this is a unique period in the history of federal student loans, which were subject to a three-and-a-half-year pandemic-era payment pause and a 12-month “on-ramp” grace period during which affected loans were reported as current to credit bureaus regardless of their delinquency status before the pause or during the on-ramp period. Loan servicers resumed tracking past due payments in October 2024, and the first federal student loan delinquencies (90+ days past due) were reported to credit bureaus beginning in January 2025.

Pooling the data across five quarters of the survey, the analysis includes 14,660 unique individuals with a total of 35,494 valid person-debt-type observations.⁹ The within-person comparison absorbs all person-specific factors, including demographic characteristics, debt portfolio characteristics (number, type, and mix of debts held), and baseline repayment propensities. Since each respondent appears in only one quarter, survey wave (quarter) is constant within each person; quarter effects are thus absorbed by person fixed effects, like any variable without within-person variation. The following linear probability model with person fixed effects is estimated:¹⁰

$$Y_{ij} = \alpha_i + \beta_1 \text{Auto}_{ij} + \beta_2 \text{CreditCard}_{ij} + \beta_3 \text{Student}_{ij} + \varepsilon_{ij}, \quad (1)$$

where Y_{ij} is a binary outcome variable equal to 1 if individual i pays their full monthly payment on debt type j and 0 otherwise; Auto_{ij} , CreditCard_{ij} , and Student_{ij} are indicators for each debt type held, equal to 1 for auto loans, credit cards, and student loans, respectively, with housing payments (mortgage or rent) as the reference category; and α_i represents person fixed effects that absorb all person-level characteristics as well as survey quarter. Standard errors are clustered at the individual level. The coefficients β_1 , β_2 , β_3 are the parameters of interest, which capture the within-person difference in the probability of making a full monthly payment on each debt category *relative to* the reference category (housing debt).

2.2.1 Main Results

Figure 1 plots the estimated coefficients from Equation 1 for all respondents with multiple debts (panel a) and separately for homeowners with a mortgage (panel b) and renters (panel c). The estimates represent how the probability of making a full monthly payment differs between each debt type versus housing debt and can be interpreted as percentage point differences. All estimates are negative, meaning that the probabilities of full monthly payment are lower for all three nonhousing debt types compared with housing debt.¹¹

The figure allows visual comparison of where each debt type is positioned relative to housing and to each other, which reveals the order in which these debt types rank for payment, i.e., the debt payment hierarchy. To clarify, these estimates are *relative* differences in payment probabilities, not absolute

⁹ Since the sample is limited to respondents with multiple debts, each person contributes to two to four observations depending on the number of debt types they hold.

¹⁰ To clarify, this is a cross-sectional comparison across debt types within each person, pooling data from four survey waves. It is not a “true” panel design that tracks the same individuals over time. The identification strategy relies on within-person variation across debt types, as indicated by j in Equation 1, not across different time points (as would typically be indicated by t in panel models). The within-person variation comes from individual holding multiple debts simultaneously: For each individual, we observe payment outcomes for different debt types.

¹¹ This debt hierarchy is consistent across five quarters of the survey. See Figure A2 in the Appendix.

probabilities: Housing debt serves as the common reference point (anchored at zero), and every other debt type is compared against this anchor point to show its relative ranking.

Among all respondents holding multiple debt types (Figure 1a), the payment hierarchy is clear: Housing payments rank first, followed by auto loans, credit cards, and student loans. The probability of a respondent making a full monthly payment is 8.1 percentage points lower for auto loans, 30.7 percentage points lower for credit cards, and 48.9 percentage points lower for student loans, all relative to housing payments.

The ordering of debts in the payment hierarchy remains consistent across housing tenure groups. However, the sizes of these debt coefficients differ between mortgage borrowers and renters, as reflected in the varying *distances* between debt types across these groups (panels b and c). The following discussion compares the distance of each debt type from housing.¹² The larger the negative coefficient (i.e., the greater the distance from housing), the lower the probability of a full monthly payment (and thus the lower the priority) relative to housing.

For both homeowners with a mortgage (Figure 1b) and renters (Figure 1c), housing payments are prioritized above all other debt types. However, the differences in payment probabilities between housing and other debts are significantly greater for renters.¹³ Relative to housing payments, the probability of a full monthly payment is 4.9 percentage points lower for auto loans among homeowners (versus 10.2 percentage points lower among renters), 29.7 percentage points lower for credit cards among homeowners (versus 32.3 percentage points lower among renters), and 43.2 percentage points lower for student loans among homeowners (versus 53.4 percentage points lower among renters). This suggests that renters prioritize housing payments over other debt payments (or equivalently, deprioritize other debts in favor of housing) even more strongly than homeowners.

2.2.2 Heterogeneity by Demographics

The next question is whether this debt payment hierarchy holds consistently or varies across other key demographic groups. Consumers with different characteristics may employ different strategies in deciding which debts to prioritize, often driven by differences in financial circumstances or financial sophistication. To test for heterogeneity in debt payment prioritization, the model in Equation 1 is extended to include

¹² The coefficients represent the distance from the reference category (housing), but they also allow comparison between any two nonhousing debts by taking the difference between their estimates.

¹³ Confirmed by an interaction model.

interaction terms between debt type dummies and demographic characteristics of the respondent.¹⁴

Figure 2 shows how the probability of a full monthly payment differs between housing debt and each other debt type, for each income, age, education, and race/ethnicity group.¹⁵ As in Figure 1, all estimates are negative, indicating lower payment probabilities for nonhousing debts compared with housing debt across all these groups. Moreover, the relative ordering among the three nonhousing debt types also remains stable. Whether younger or older ages, lower or higher income, less or more educated, and White or non-White, the same ranking in the payment hierarchy holds, with housing debt receiving highest priority for full monthly payments, followed by auto loans, credit cards, and student loans.

Nevertheless, as seen with housing tenure, while the ranking remains consistent, the sizes of the coefficients (i.e., relative payment probability differences) vary across demographic groups. Specifically, the degree to which nonhousing debt payments are deprioritized relative to housing payments varies for some debt types and some demographic characteristics.¹⁶

Among the nonhousing debt types, credit cards show the most heterogeneity, as the degree of deprioritization relative to housing payments varies significantly across income, education, and age groups. As shown in Figure 2, lower-income respondents (versus middle- or upper-income), those without a college degree (versus college graduates), and those aged 36–55 and 56 and older (versus those under age 36) deprioritize credit card payments more severely than their counterparts. By race/ethnicity, only respondents of other races show a significant difference, deprioritizing credit card payments less severely than White, Black, and Hispanic respondents.¹⁷

For auto loans, income and education show similar patterns: Lower-income respondents and those without a college degree deprioritize auto loan payments more severely in favor of housing payments than their higher-income and college-educated counterparts. There is no significant variation across age groups. By race/ethnicity, Black and other-race respondents exhibit greater deprioritization of auto loan payments than White respondents.

Student loans show significant heterogeneity by income and age, but not by education. Lower-income respondents and those aged 36 and older deprioritize student loan payments more severely relative

¹⁴ The model is: $Y_{ij} = \alpha_i + \beta_1 \text{Auto}_{ij} + \beta_2 \text{CreditCard}_{ij} + \beta_3 \text{Student}_{ij} + \gamma_1 (\text{Auto}_{ij} \times D_i) + \gamma_2 (\text{CreditCard}_{ij} \times D_i) + \gamma_3 (\text{Student}_{ij} \times D_i) + \varepsilon_{ij}$, where D_i represents a given demographic characteristic of individual i (e.g., age, income, education, race and ethnicity). While the person fixed effects absorb the main effects of individual characteristics, the interaction terms can be estimated to test whether debt payment prioritization patterns differ across these characteristics. The model is estimated separately for each demographic factor (e.g., one with age interactions, one with income interactions, and so on) to avoid collinearity issues that arise when including multiple demographic interactions simultaneously.

¹⁵ The debt ordering in the payment hierarchy remains consistent across gender, marital status, and levels of financial literacy. The degree to which nonhousing debts are deprioritized relative to housing debt does not significantly vary by marital status or financial literacy, but it does by gender. Female respondents deprioritize credit card and student loan payments more severely relative to housing payments than male respondents. See Figure A3 in the Appendix. Financial literacy was measured only in January 2026.

¹⁶ See Figure A4 in the Appendix for the results estimated separately for homeowners with a mortgage and renters.

¹⁷ White served as the reference category in the model. Additional pairwise comparisons were conducted to confirm significant differences between other-race respondents and Black and Hispanic groups.

to housing payments than higher-income and younger respondents. Notably, education level does not affect the degree of deprioritization: Both respondents with and without a college degree deprioritize student loan payments similarly. Among racial/ethnic groups, only Hispanic respondents differ significantly, deprioritizing student loan payments less severely than all other groups.¹⁸

To summarize, the debt payment hierarchy is stable across demographics, but the degree to which different debts are prioritized or deprioritized varies by both debt type and consumer characteristic.

3 Discussion

This paper uses survey data collected from July 2025 to July 2026 to analyze debt payment prioritization among consumers holding multiple debts. By focusing on within-person variation in payment preferences across four different debt types, the analysis examines how an individual treats different debt payments relative to their own baseline, controlling for person-specific characteristics that may be related to the types, number, amounts, and mix of debts held, as well as baseline debt attitudes, debt repayment ability, and financial circumstances.

The analysis finds a clear payment hierarchy across debt types: Housing payments receive the highest priority, followed by auto loans, credit cards, and finally student loans. This ordering remains consistent across various consumer segments that may differ in their financial experiences and circumstances, including those by housing tenure, age, income, education, race and ethnicity, gender, marital status, and financial literacy. The consistency of this debt payment hierarchy suggests these groups, despite their differences, treat their monthly debt payments using a broadly similar strategy, following the common financial wisdom of prioritizing financial obligations tied to necessities (such as housing) and those for which nonpayment carries more severe consequences (such as secured debts). This payment hierarchy also mirrors how debt types are ordered in the administrative data, from lowest to highest by their transition rates into serious delinquency.¹⁹ Moreover, the ordering of debts remained stable across all five quarters of the survey, suggesting that, absent a major shock, the order in which consumers prioritize debt payments does not fluctuate with seasonal variation in consumer spending and borrowing.²⁰

While the ordering of debts is stable, the *degree* of prioritization or deprioritization between competing debts varies across some categories of debt and some demographic characteristics. In particular, more financially vulnerable populations, such as renters, lower-income individuals, and those with less education, deprioritize nonhousing debt payments more severely in favor of housing payments than their

¹⁸ Confirmed by pairwise comparisons between Hispanic and all other racial/ethnic groups.

¹⁹ See the Federal Reserve Bank of New York’s 2026 Q1 *Quarterly Report on Household Debt and Credit* (p. 14).

²⁰ Additionally, oil prices rose substantially in 2026, triggered by the geopolitical tensions in the Middle East. We do not see a significant effect of this energy price surge on the relative priority of different categories of loans in our data.

counterparts. Specifically, renters exhibit a greater degree of deprioritization of auto loan, credit card, and student loan payments compared with homeowners with a mortgage; lower-income respondents also exhibit greater deprioritization of all three debt payments than higher-income respondents; and less educated respondents deprioritize auto loan and credit card payments more severely than more educated respondents. These results suggest that consumers who are more susceptible to experiencing financial distress are relatively more likely to sacrifice nonhousing debt payments (by skipping or only partially paying them) to more strongly prioritize their housing payments.

Patterns by race are less consistent, varying by debt type and specific racial/ethnic groups. The age pattern also does not fit straightforwardly with the financial vulnerability expectation, in that younger respondents (under age 36), who are typically considered more financially vulnerable, do not necessarily deprioritize nonhousing debt payments more than other age groups. Rather, it is two older age groups (ages 36–55 and 56 and older) that deprioritize credit card and student loan payments relatively more severely in favor of housing payments. This pattern aligns with administrative data on age differences in transition rates into serious delinquency for student loans (higher among older ages) but not for credit cards (higher among younger ages).²¹ These differences warrant further investigation.

The results of this paper contribute to our understanding of consumer debt payment prioritization in several ways. First, they largely confirm and extend patterns documented with administrative data. The payment hierarchy derived from these survey responses aligns well with the ordering of debts based on transition rates into early and serious delinquency in the data from credit bureaus on the same quarters. Since reports using credit bureau data typically involve lags of several months, this alignment in payment hierarchy suggests the potential for survey data to serve as an early indicator of how consumers expect to manage their debt payments in a given time period and of any meaningful shift in repayment priorities that is expected to emerge, well before administrative data on the same time period are collected and compiled into available reports. That said, more research over a longer period of time is required to fully evaluate this potential value of the survey data.

Second, by including rent payments, which are typically absent from credit bureau data, this paper captures a more comprehensive picture of payment prioritization among a wider share of consumers than has been studied in the past, including the substantial population who rent their homes. The finding that renters prioritize housing more strongly than homeowners with a mortgage likely reflects the more immediate consequences that renters face when missing their housing payment compared with homeowners.²²

²¹ See the Federal Reserve Bank of New York’s 2026 Q1 *Quarterly Report on Household Debt and Credit* (p. 27–28).

²² Eviction from a rental property is a faster process than a home foreclosure (Conte 2026).

Third, the demographic analysis demonstrates that the ordering of debts in the payment hierarchy holds consistently across a range of different demographics, including those not examined in previous research owing to the lack of such variables in administrative data. Further, the results show that financially vulnerable populations, particularly renters, lower-income individuals, and those with less education, report starker trade-offs among competing debts, deprioritizing nonhousing debt payments more severely than their counterparts in order to prioritize their housing payments. This suggests that these groups may be more likely to fall behind on other debt payments when facing financial constraints (see Akana et al. 2026). Together, these findings highlight the central role of housing in household financial stability. Because consumers prioritize housing payments strongly over other debt payments, housing-related financial shocks, such as rent increases, property tax increases, or rising homeowners insurance, may have downstream effects on consumers’ ability to keep up with nonhousing debt payments, and even more so for the financially vulnerable groups identified here.

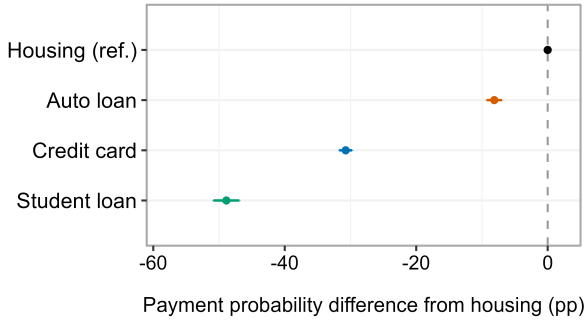
A few limitations are worth noting. While survey responses may provide valuable insight into forward-looking decision-making and a preview of expected behavior ahead of when it may appear in administrative data, what people say in surveys may diverge from their actual repayment behavior once real financial constraints come into play. Future research could validate these responses by comparing them against administrative records or other data sources of observed repayment behavior for the same individuals. Additionally, a time series over a more extended period (beyond one year) would allow for tracking whether and how repayment priorities evolve with changing economic conditions and for more careful evaluation of survey data’s potential as a reliable early indicator of shifts in consumer debt payment priorities.

Finally, the four debt types examined here represent the most common forms of consumer debt. Nevertheless, they do not cover the full range of bills households manage each month. Other obligations, such as utilities and insurance, are also among the most common monthly bills (Ivanova 2022) and compete for the same household budget. This paper focused specifically on debt payments including rent, but incorporating a broader set of financial obligations would offer a more complete view of bill payment prioritization.

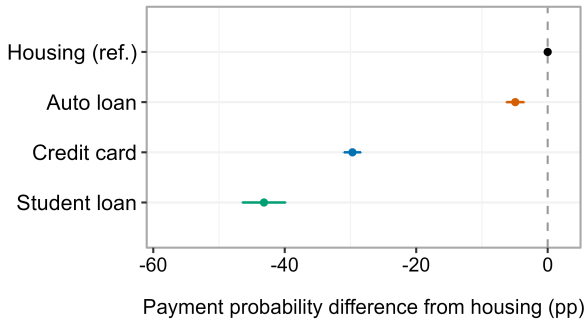
4 Figures

Figure 1: Debt Payment Prioritization Relative to Housing Payment (Mortgage or Rent)

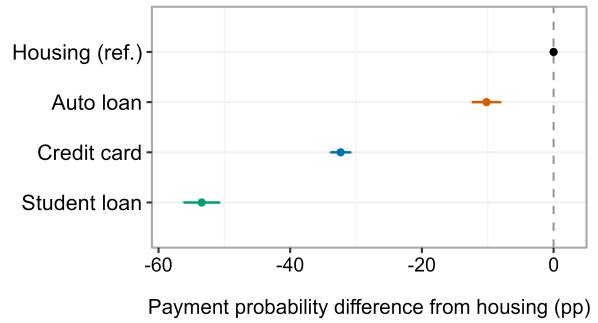
(a) Full Sample



(b) Homeowners with a Mortgage

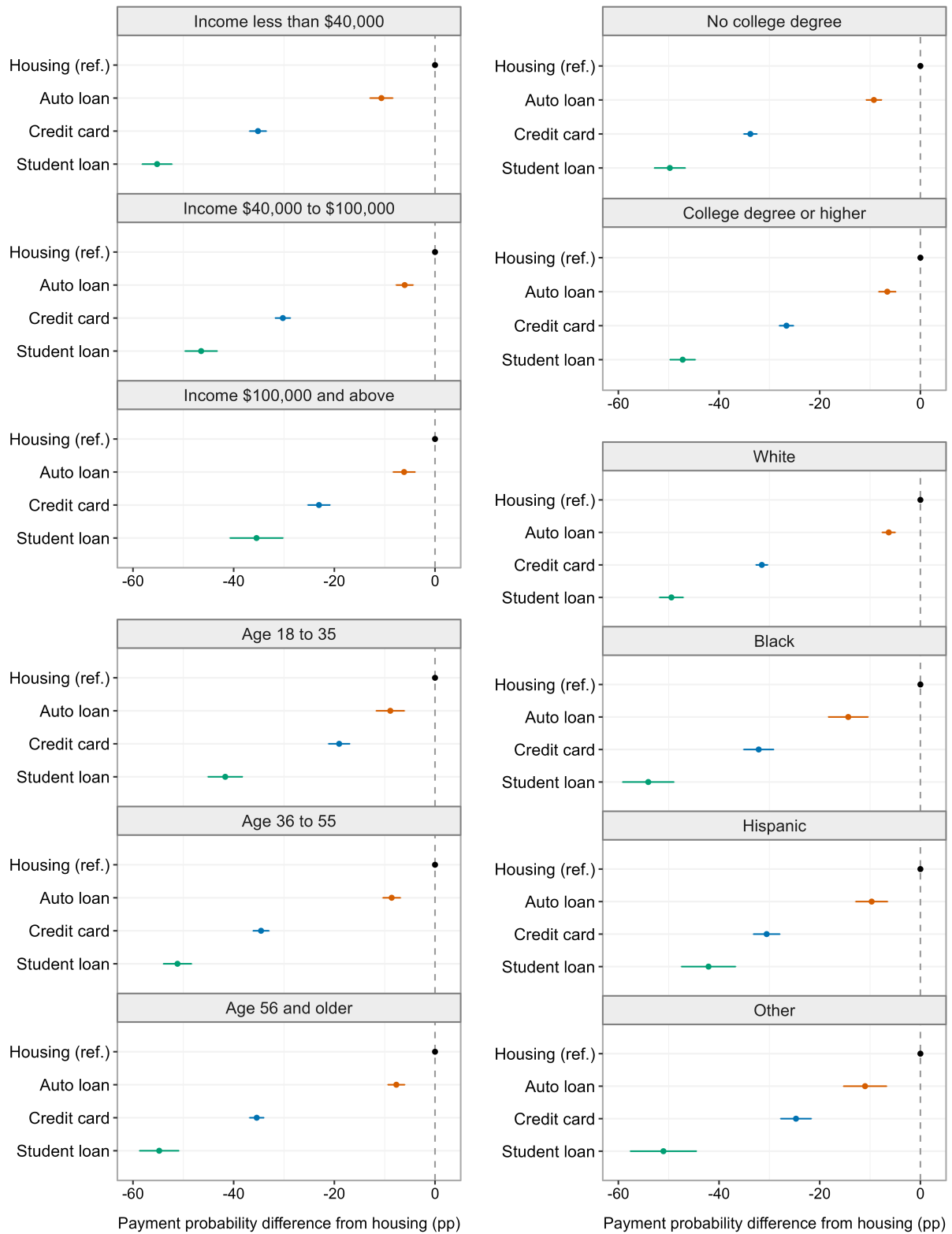


(c) Renters



Note: Estimates represent the difference in probability of a full monthly payment (in percentage points) for each debt category relative to housing debt. Error bars denote 95% confidence intervals. See Table A2 for regression results. Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data, July 2025–July 2026.

Figure 2: Debt Payment Prioritization Relative to Housing Payment: By Demographics



Note: Estimates represent the difference in probability of a full monthly payment (in percentage points) for each debt category relative to housing debt, for each demographic group. Error bars denote 95% confidence intervals. See Table A3 for regression results. Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data, July 2025–July 2026.

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Appendix

Table A1: Summary Statistics

Variable	Mean	SD	Min	Max	N
Auto loan borrower	0.40	0.49	0	1	14660
Credit card holder	0.93	0.26	0	1	14660
Mortgage borrower	0.46	0.50	0	1	14660
Renter	0.44	0.50	0	1	14660
Federal student loan borrower	0.19	0.39	0	1	14660
Pay auto loan payment in full	0.74	0.44	0	1	5980
Pay credit card payment in full	0.52	0.50	0	1	13629
Pay mortgage payment in full	0.86	0.35	0	1	6969
Pay rent payment in full	0.77	0.42	0	1	6168
Pay student loan payment in full	0.28	0.45	0	1	2748
Female	0.50	0.50	0	1	14660
Age 18–35	0.27	0.45	0	1	14660
Age 36–55	0.35	0.48	0	1	14660
Age 56+	0.38	0.48	0	1	14660
White	0.60	0.49	0	1	14660
Black	0.11	0.32	0	1	14660
Hispanic	0.19	0.39	0	1	14660
Other race	0.10	0.30	0	1	14660
No college degree	0.59	0.49	0	1	14660
Bachelor’s degree or higher	0.41	0.49	0	1	14660
Income under \$40,000	0.41	0.49	0	1	13681
Income \$40,000–\$100,000	0.43	0.49	0	1	13681
income \$100,000 and above	0.17	0.37	0	1	13681
Currently married	0.52	0.50	0	1	14660

Among respondents holding two or more debt types at the time of the survey.
 Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute
 LIFE Survey Data

Table A2: Regression Analysis: Main Model

	(1) Full Sample	(2) Homeowners with a mortgage	(3) Renters
Pay in full (<i>ref</i> =housing payment)			
Auto loan payment	-0.081*** (0.006)	-0.049*** (0.007)	-0.102*** (0.011)
Credit card payment	-0.307*** (0.005)	-0.297*** (0.007)	-0.323*** (0.008)
Student loan payment	-0.489*** (0.010)	-0.432*** (0.017)	-0.534*** (0.014)
Observations	35,494	17,524	14,770
Person FE	Y	Y	Y
R ²	0.638	0.623	0.631
Adjusted R ²	0.384	0.374	0.367
Within R ²	0.224	0.218	0.250

Standard errors in parentheses, clustered at the individual level. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.
Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data

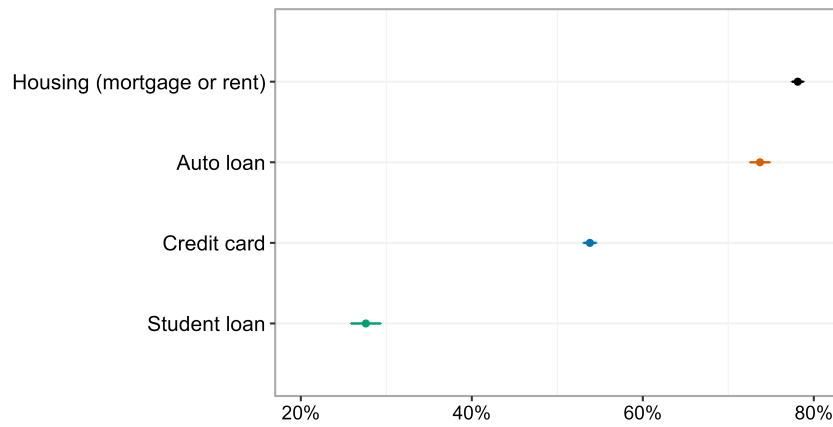
Table A3: Regression Analysis: Interaction Model

	(1) By Age (<i>ref</i> =18–35)	(2) By Income (<i>ref</i> =Lower)	(3) By Education (<i>ref</i> =No BA)	(4) By Race (<i>ref</i> =White)
Pay in full (<i>ref</i> =housing payment)				
Auto loan payment	-0.089*** (0.014)	-0.107*** (0.012)	-0.092*** (0.008)	-0.063*** (0.007)
Credit card payment	-0.190*** (0.011)	-0.352*** (0.009)	-0.338*** (0.007)	-0.315*** (0.006)
Student loan payment	-0.417*** (0.018)	-0.552*** (0.015)	-0.498*** (0.016)	-0.495*** (0.012)
Pay auto × Age 36–55	0.003 (0.017)			
Pay auto × Age 56+	0.012 (0.017)			
Pay card × Age 36–55	-0.155*** (0.014)			
Pay card × Age 56+	-0.164*** (0.013)			
Pay student × Age 36–55	-0.095*** (0.023)			
Pay student × Age 56+	-0.131*** (0.027)			
Pay auto × Middle income		0.046** (0.015)		
Pay auto × Upper income		0.045** (0.016)		
Pay card × Middle income		0.049*** (0.012)		
Pay card × Upper income		0.121*** (0.014)		
Pay student × Middle income		0.087*** (0.023)		
Pay student × Upper income		0.198*** (0.031)		
Pay auto × BA or higher			0.027* (0.012)	
Pay card × BA or higher			0.072*** (0.010)	
Pay student × BA or higher			0.025 (0.021)	
Pay auto × Black				-0.080*** (0.021)
Pay auto × Hispanic				-0.034 (0.018)
Pay auto × Other				-0.047* (0.023)
Pay card × Black				-0.006 (0.017)
Pay card × Hispanic				0.010 (0.015)
Pay card × Other				0.068*** (0.017)
Pay student × Black				-0.046 (0.029)
Pay student × Hispanic				0.074* (0.030)
Pay student × Other				-0.016 (0.036)
Observations	35,494	33,190	35,494	35,494
Person FE	Y	Y	Y	Y
R ²	0.643	0.639	0.639	0.639
Adjusted R ²	0.392	0.385	0.385	0.385
Within R ²	0.234	0.229	0.226	0.226

Standard errors in parentheses, clustered at the individual level. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data

Figure A1: Percent of Respondents Willing to Pay Full Monthly Amount Due on Debt Type Conditional on Currently Holding That Debt Type



Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data

Figure A2: Debt Repayment Prioritization Relative to Housing (Mortgage or Rent): By Quarter

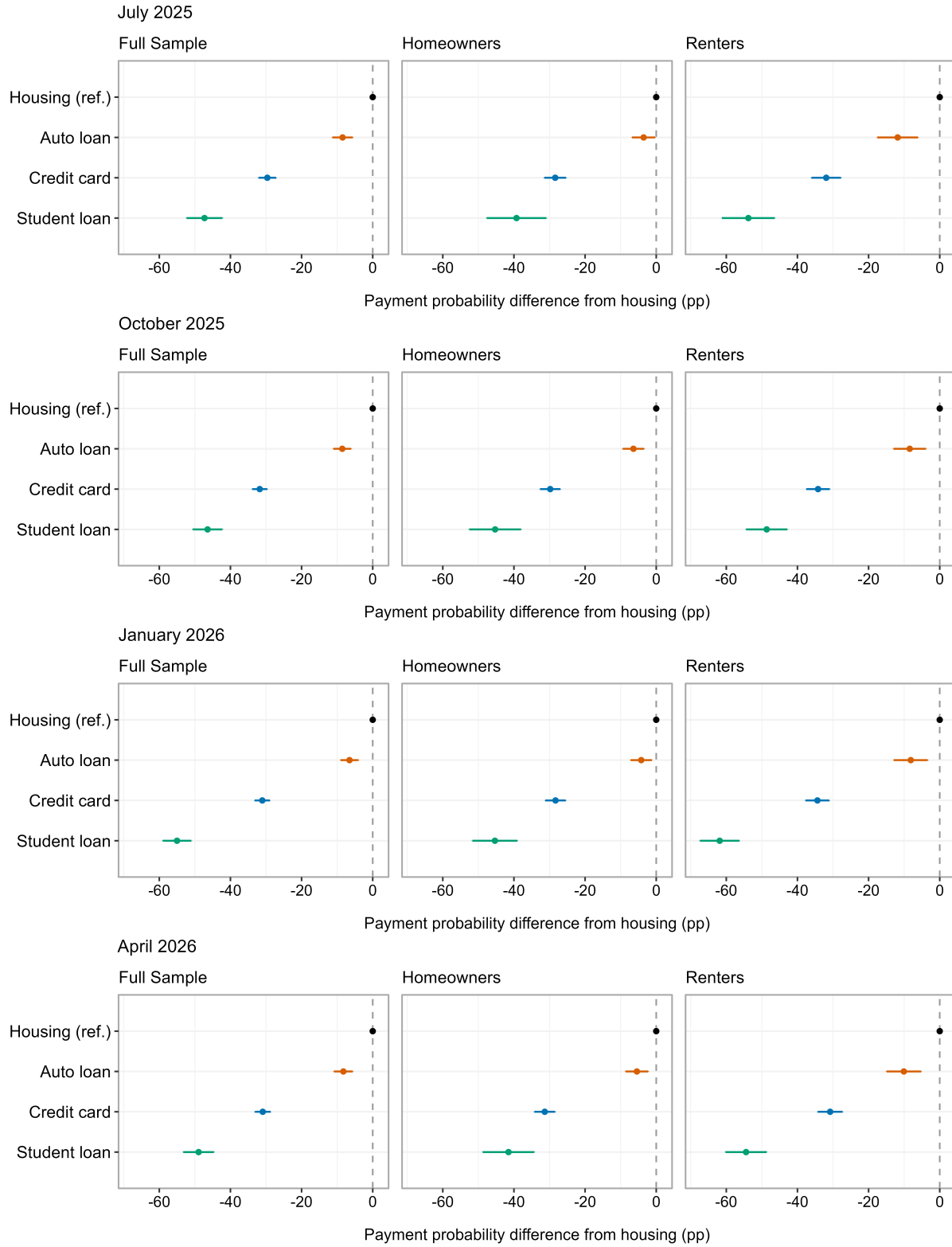
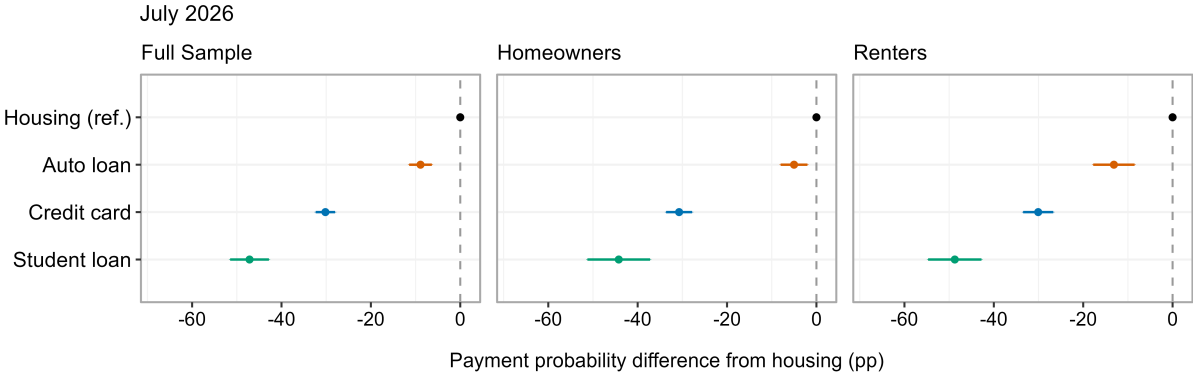
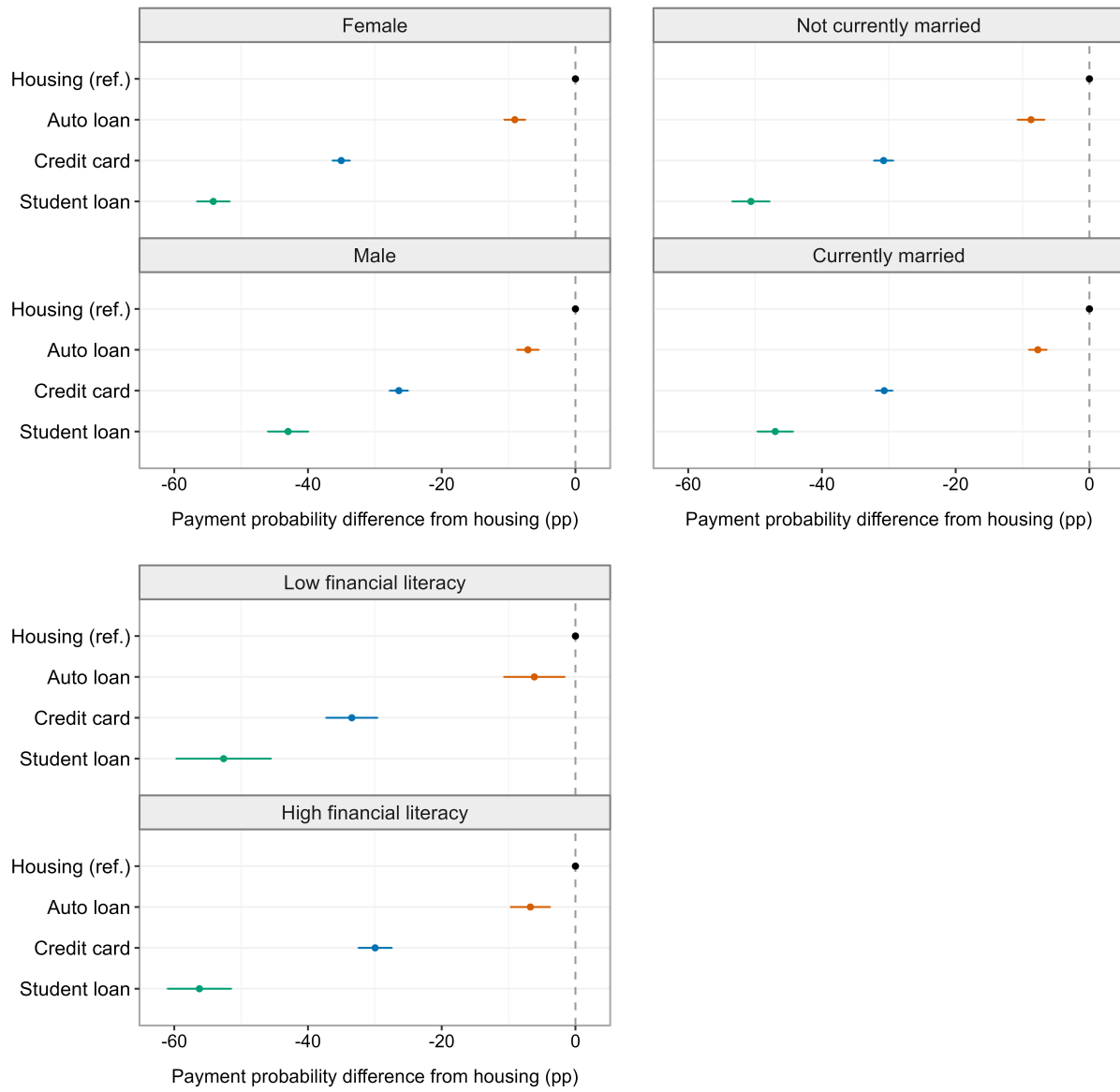


Figure A2: Debt Repayment Prioritization Relative to Housing (Mortgage or Rent): By Quarter
(Continued)



Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data

Figure A3: Debt Repayment Prioritization Relative to Housing Debt: By Additional Demographics



Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data

Figure A4: Debt Repayment Prioritization Relative to Housing Debt: By Demographics and Housing Tenure

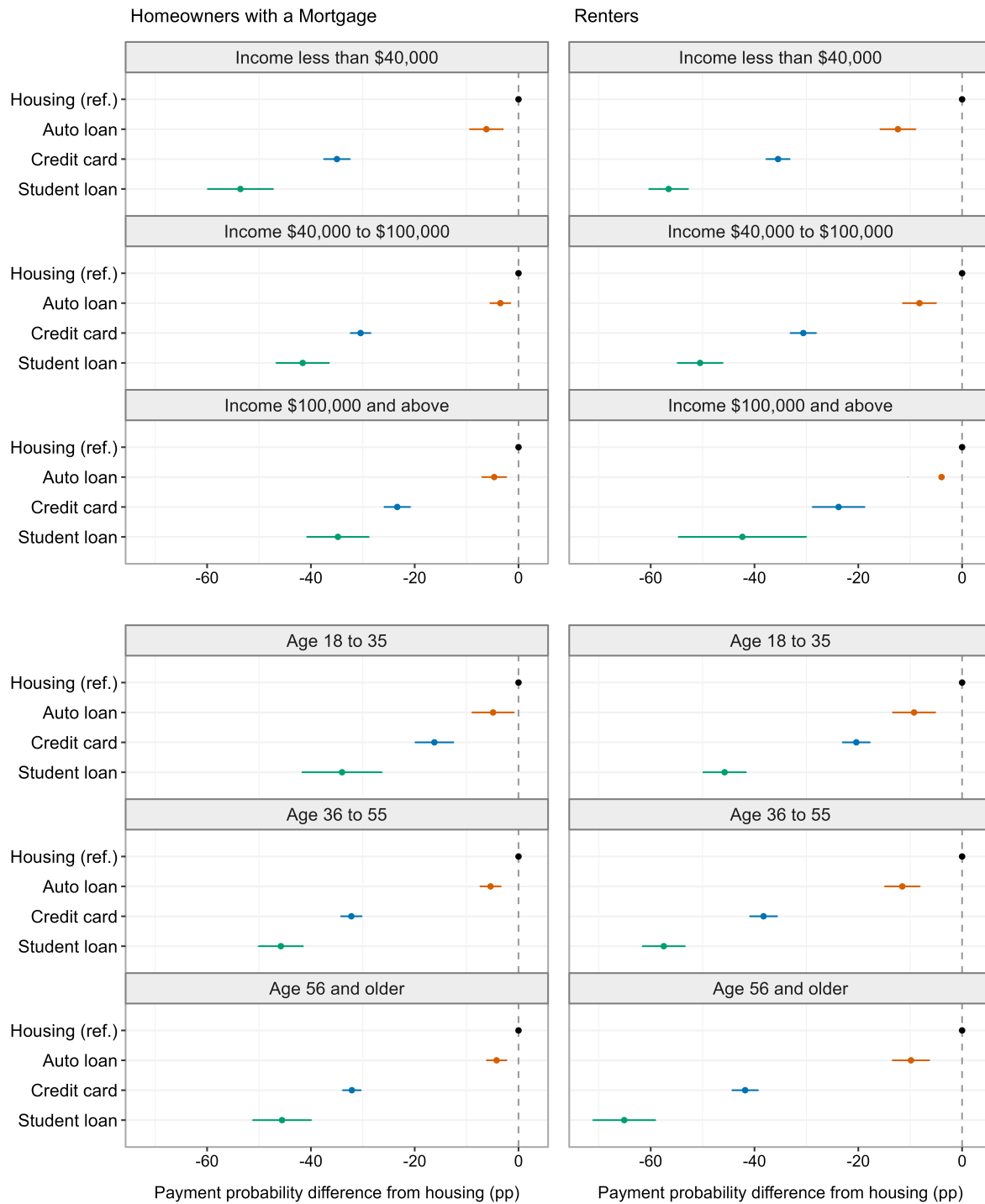


Figure A4: Debt Repayment Prioritization Relative to Housing Debt: By Demographics and Housing Tenure (Continued)

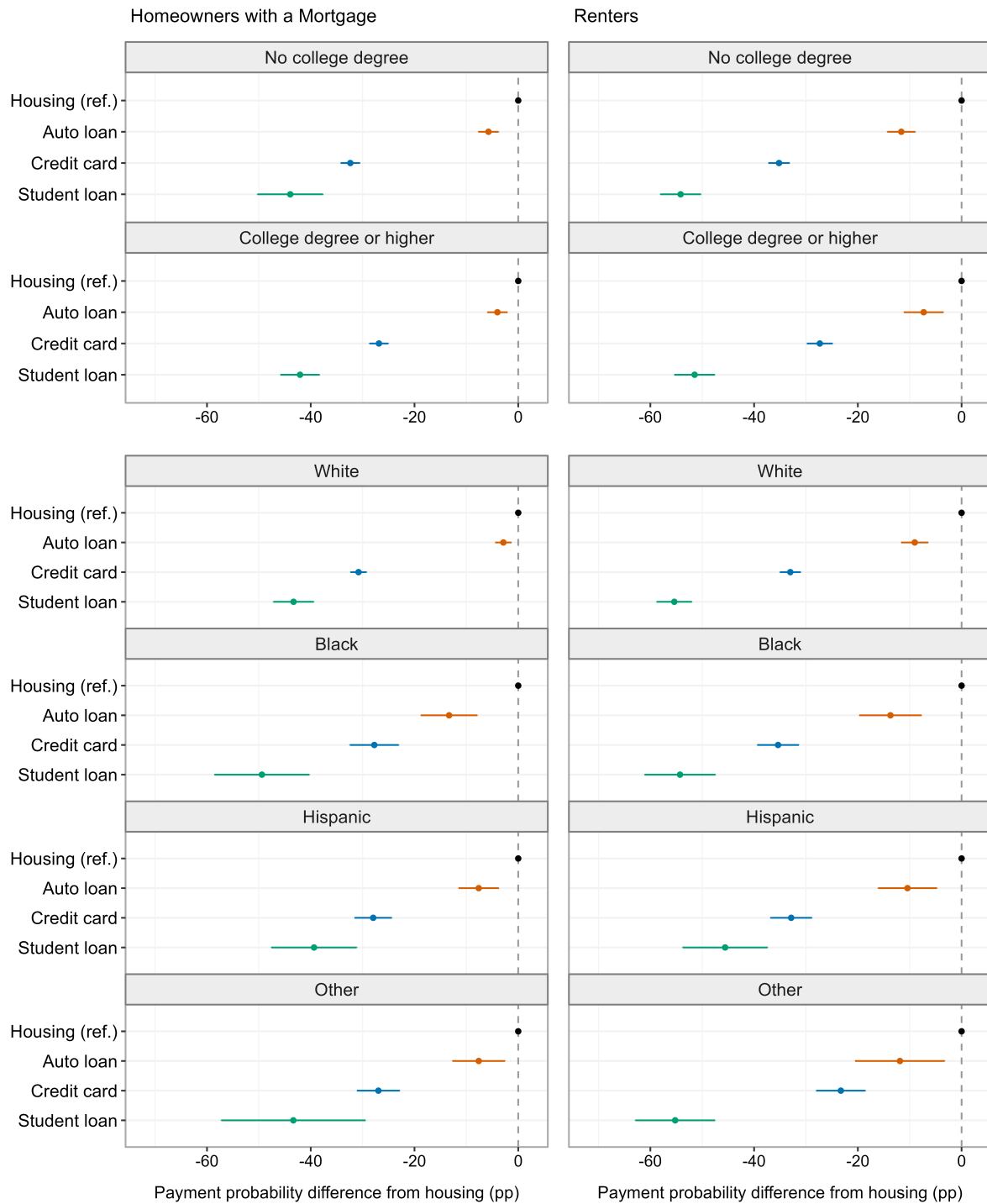
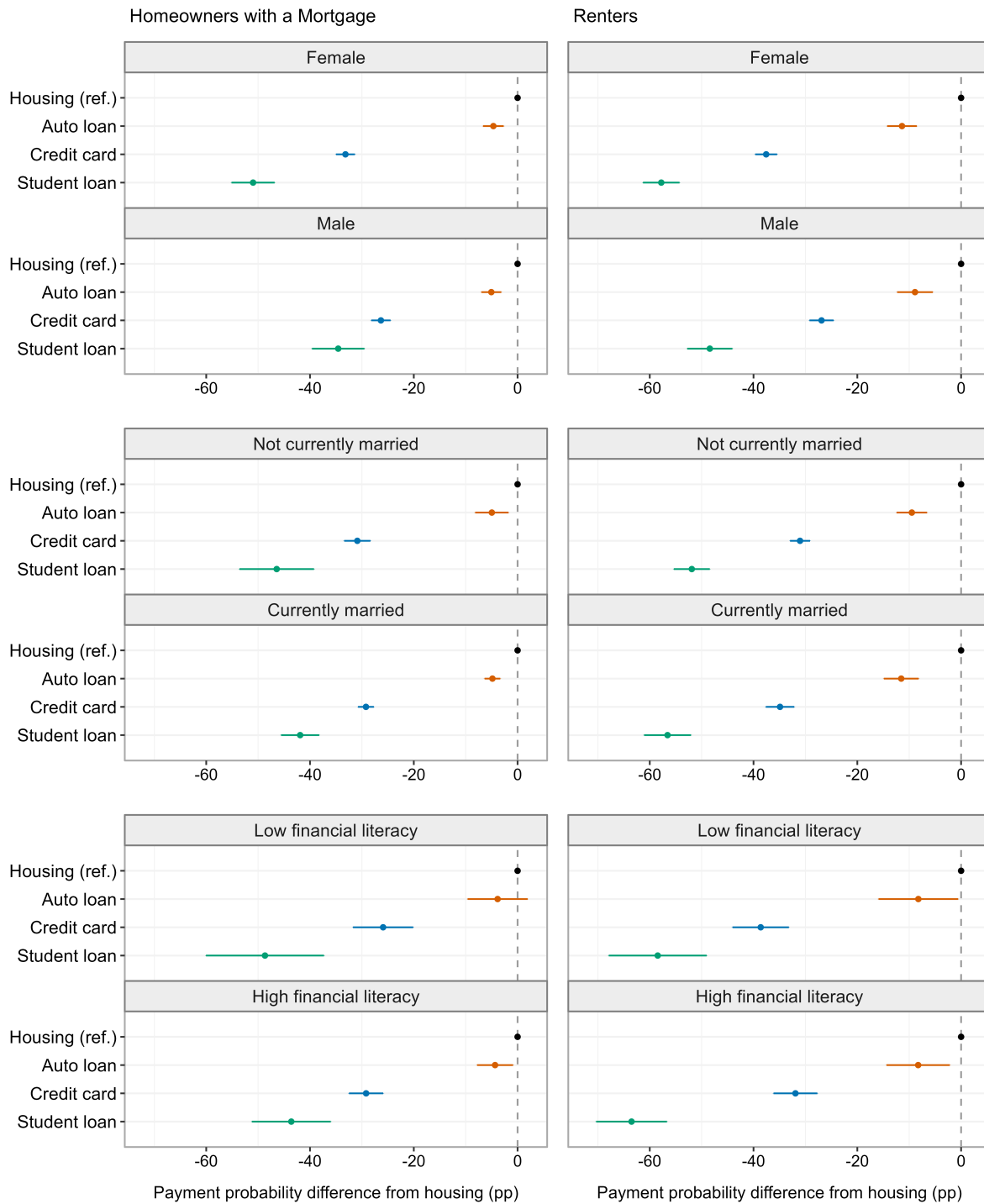


Figure A4: Debt Repayment Prioritization Relative to Housing Debt: By Demographics and Housing Tenure (Continued)



Data source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data



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