PAYMENT CARDS Center

FEDERAL RESERVE BANK OF PHILADELPHIA

Statistic	Household Debt-Service Burden
Source	Board of Governors: G.19, G.20 Statistical Releases (http://www.federalreserve.gov/releases/housedebt/default.htm)
Time Series	1980 - Present, Quarterly
Description*	Household debt-service burden is the ratio of household debt payments to disposable income. The ideal data set for such a calculation would have the required payments on every loan held by every household in the United States. However, such a data set is not available, and thus the calculated series is only a rough approximation of the current debt-service ratio faced by households. To create the measure of burden, the Board calculates payments separately for revolving debt and for each type of closed-end debt. The sum of these payments is divided by disposable personal income as reported in the National Income and Product Accounts. In the April 2006 Senior Loan Officer Opinion Survey, most banks indicated that required monthly minimum payments on credit cards ranged between 1.5 percent and 3.0 percent, with about 30 percent close to the high end of this range. Estimates of the amount of mortgage debt are taken from the Federal Reserve Board's flow of funds accounts, and estimates of outstanding consumer debt are taken from the Federal Reserve's G.19 statistical release. Interest rates on closed-end consumer loans are obtained from the Federal Reserve's G.19 and G.20 statistical releases, except student loan rates, which are obtained from the Student Loan Marketing Association (Sallie Mae). In order to obtain an estimate of the interest rate on the stock of outstanding debt, the recent history of interest rates is weighted using information on the age of outstanding loans in the Survey of Consumer Finances (SCF). As for the stock of outstanding mortgage debt, the interest rate is an estimate provided by the U.S. Department of Commerce, Bureau of Economic Analysis. Consumer debt maturity series are taken from the G.19 release and from the SCF. Maturity series for mortgage debt are obtained from Credit Suisse First Boston.
Data Access	Data are publicly available.

[*]The description is taken from the Federal Reserve Board's website: http://www.federalreserve.gov/releases/housedebt/about.htm.