COVID-19 and Household Financial Well-Being

Profile of the York, PA MSA | December 2021

Valeria Zeballos Doubinko, *Community Development and Regional Outreach Research Intern*[1]

Credit serves as an important financial buffer for many households, enabling consumers to smooth out large expenses and compensate for income volatility. For those included in the credit economy,[2] debt utilization and related indicators provide an important measure of financial health. In the context of the COVID-19 pandemic, exploring recent trends in debt, delinquency, and credit scores offers insights into households' and communities' ability to weather economic shock.

This report provides an overview of credit scores and debt patterns in the York-Hanover, PA MSA[3] (henceforth, the York MSA). To capture changes in credit conditions during the COVID-19 pandemic, this report highlights important trends occurring from the beginning of 2020 through the first quarter of 2021. To provide additional context on pre-pandemic conditions, data from 2019 are also included in figures and described below. The following sections provide key findings from the study period, followed by accompanying figures and tables in the appendix:

York MSA – General Overview

- Throughout the study period, the share of adults with a credit file and score did not vary significantly in the York MSA. In Q1 2019,[4] the share of adults with a credit file and score was 96.6 percent, compared with 94.9 percent in Q1 2021. The share of adults with debt also did not vary significantly. In Q1 2019, 83.5 percent of adults actively used credit products, compared with 85.0 percent in Q1 2021 (**Figure 1**).

- Among those with debt, the most widely held types in Q1 2021 were credit cards (78.1 percent), auto loans (44.8 percent), and mortgages (38.5 percent) (**Figure 2**). While average total debt decreased from $60,620 in Q1 2020 to $59,880 in Q1 2021, average auto loan, student loan, and mortgage balances increased slightly (**Table 1**).

- Financial distress indicators improved between Q1 2020 and Q1 2021 in the York MSA. For example, the percentage of borrowers with severely delinquent debt declined slightly from a high of 13.6 percent in Q1 2020 to 12.0 percent in Q1 2021 (**Figure 4**). The share of consumers[5] with debt in collections also decreased below pre-pandemic levels, to 15.1 percent (**Figure 5**).

---

1 Please contact Eileen Divringi at eileen.divringi@phil.frb.org for questions related to this report. The author would like to thank Alaina Barca for contributing the maps included in the appendix.

2 According to the Consumer Financial Protection Bureau, roughly 1 in 10 American adults did not have any credit history with the three largest nationwide credit bureaus in 2010. For more information, see "Data Point: Credit Invisibles," Consumer Financial Protection Bureau's Office of Research, May 2015.

3 The York MSA is composed of York County.

---

4 Each quarter corresponds to data reported by creditors in March (Q1), June (Q2), September (Q3), and December (Q4).

5 The term "consumers" refers to the full sample of individuals with a social security number and a credit file included in the CCP (see About the Data). Please note that the existence of a credit file does not necessarily imply active consumer credit use. Borrowers are consumers with debt greater than $0 in at least one tradeline.

- To some extent, the decline in overall severe delinquency appears to be driven by a decrease in severe delinquency among student loan borrowers. Between Q1 2020 and Q1 2021, the share of borrowers with delinquent student loans declined 4.2 percentage points to 7.7 percent (**Table 2**). This decline corresponds with the enactment of an automatic federal student loan forbearance program,[6] as well as other relief programs.

- Overall, the York MSA performed similar to the state of Pennsylvania in terms of financial health. York MSA consumers had rates of severe delinquency, debt in collections, and high credit card utilization comparable with the state overall (**Figures 5** and **6**).

In the York MSA, 13.4 percent of adults live in low- and moderate-income (LMI) neighborhoods, while 86.6 percent live in middle- and upper-income (MUI) neighborhoods (**Map 1**). The shares for neighborhoods that are majority people of color (POC) and majority non-Hispanic White are 6.4 percent and 93.6 percent, respectively (**Map 2**). The majority of predominantly POC neighborhoods are also LMI. In fact, 11 out of 12 majority-POC neighborhoods in the York MSA are also LMI. The next two sections explore credit trends in the York MSA by neighborhood income and race/ethnicity.

Neighborhood Income Categories

- Throughout the study period, borrowers in LMI neighborhoods had poorer access to credit than those in MUI neighborhoods. For instance, in Q1 2021, 81.1 percent of adults in LMI neighborhoods had a credit file and score, compared with 97.1 percent of adults in MUI neighborhoods (**Figure 7**).

- Some indicators suggested improving financial health in LMI neighborhoods. For instance, the share of consumers with prime credit scores increased to 40.3 percent, above pre-pandemic levels (**Figure 9**). Similarly, severely delinquent debt dropped below pre-pandemic levels, to 24.6 percent (**Figure 10**). Average credit card debt in

LMI neighborhoods also decreased by 14.9 percent between Q1 2020 and Q1 2021 (**Table 3**).

- Despite some improvements in credit conditions in LMI neighborhoods, disparities by neighborhood income persisted throughout the study period, as illustrated by markedly higher delinquency rates for most types of debt and a greater likelihood of having debt in collections (**Table 4** and **Figure 11**).

Neighborhood Majority Race/Ethnicity

- There were significant disparities between the credit profiles of majority-White and majority-POC neighborhoods in the York MSA. For instance, 96.4 percent of adults in majority-White neighborhoods had a credit file and score, compared with only 72.6 percent of adults in majority-POC neighborhoods (**Figure 13**).

- Throughout the study period, there were some improvements in credit indicators in majority-POC neighborhoods. Notably, the share of consumers with prime credit scores increased above pre-pandemic levels, to 29.8 percent (**Figure 15**). Severe delinquency and high credit card utilization shares also declined below pre-pandemic levels (**Figures 16** and **18**). Nevertheless, disparities between majority-POC and majority-White neighborhoods did not substantially narrow.

It may seem counterintuitive to see stable or improving financial health indicators during the historic economic disruption caused by the COVID-19 pandemic and associated shutdowns. However, it is important to note that several major federal policies were implemented to aid pandemic recovery and support struggling Americans during this period. These included policies directly targeted toward stabilizing financially vulnerable households, including enhanced unemployment insurance benefits, stimulus payments, and expanded forbearance options, particularly for mortgage and student loan borrowers. Recent analyses indicate that some of these policies may have averted widespread economic distress, and even lifted many out of poverty.[7] Whether the financial resiliency observed during our study period will persist as many of these programs begin to phase out remains to be seen.

---

6 Unlike traditional forbearance programs, which prevent borrowers from becoming more delinquent than they were at time of enrollment, most borrowers with delinquent federal student loan debt have been reported as current on payments during the forbearance period. See Andrew F. Haughwout, Donghoon Lee, Joelle Scally, and Wilbert van der Klaauw, "A Monthly Peek into Americans' Credit During the COVID-19 Pandemic," Federal Reserve Bank of New York, Liberty Street Economics (blog), August 6, 2020.

7 Laura Wheaton, Linda Giannarelli, and Ilham Dehry, *2021 Poverty Projections: Assessing the Impact of Benefits and Stimulus Measures*, Washington, D.C.: Urban Institute, 2021.

About the Data

This report uses data from the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP), which is derived from Equifax credit file data.[8] Credit files do not include information on an individual consumer's income or race/ethnicity. However, consumers can be assigned to their neighborhood of residence (defined as census tracts). Using data from the FFIEC 2020 Census Flat File,[9] we assign neighborhoods to income and majority race/ethnicity categories and break out findings for consumers in each category. The following neighborhood categories are included in this report:

Income:

- Low/moderate income (LMI): tract median family income (MFI) is less than 80 percent of the MFI in the associated MSA or metropolitan division

- Middle/upper income (MUI): tract MFI is greater than or equal to 80 percent of the MFI in the associated MSA or metropolitan division

Majority Race/Ethnicity:

- Majority White: over 50 percent of tract residents identify as both White and non-Hispanic

- Majority people of color (POC): over 50 percent of tract residents identify as a race other than White or as Hispanic or Latino

It is important to note that these categories reflect neighborhood-level characteristics. Some upper-income consumers live in lower-income neighborhoods (and vice versa), and some consumers of color live in majority-White neighborhoods (and vice versa).

---

8   The CCP is an anonymous, nationally representative one-in-20 sample of all individuals in the United States with a Social Security number and credit file. For more information about this dataset, see Donghoon Lee and Wilbert van der Klaauw, "An Introduction to the FRBNY Consumer Credit Panel," Staff Report 479, Federal Reserve Bank of New York, 2010.

9   Available at www.ffiec.gov/censusapp.htm.

FIGURE 1. Share of Adults with Credit File and Score and Share of Adults with Debt
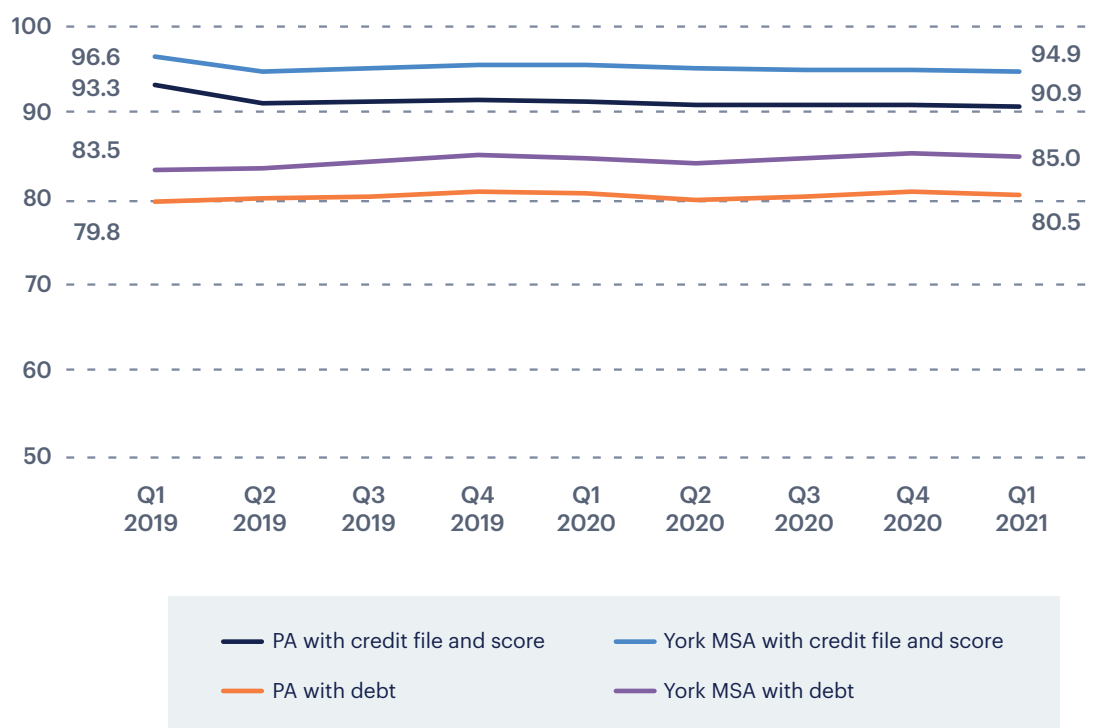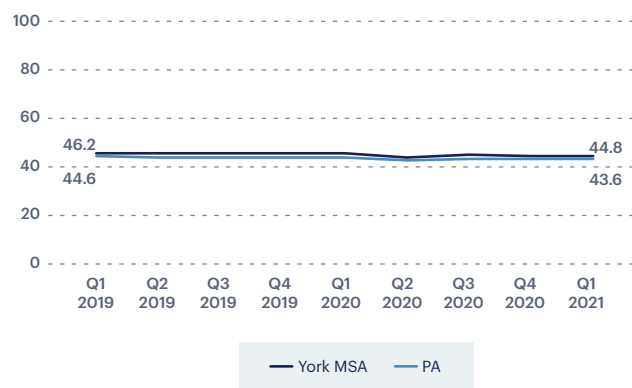

Note: Credit score refers to the Equifax Risk Score. Adults are defined as residents 18 years or older.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and U.S. Census Bureau American Community Survey 2019 5-year estimates.
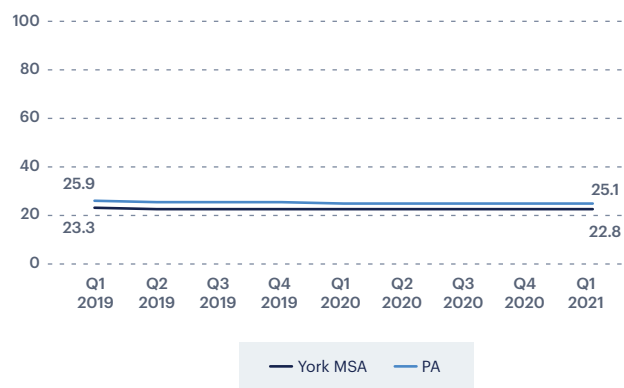
FIGURE 2A. Share of Borrowers with Auto Debt

46.2
44.6
44.8
43.6

Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021

— York MSA   — PA

FIGURE 2B. Share of Borrowers with Student Loan Debt

25.9
23.3
25.1
22.8

Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021

— York MSA   — PA

FIGURE 2C. Share of Borrowers with Mortgage Debt

39.2
34.2
38.5
33.6

Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021

— York MSA   — PA
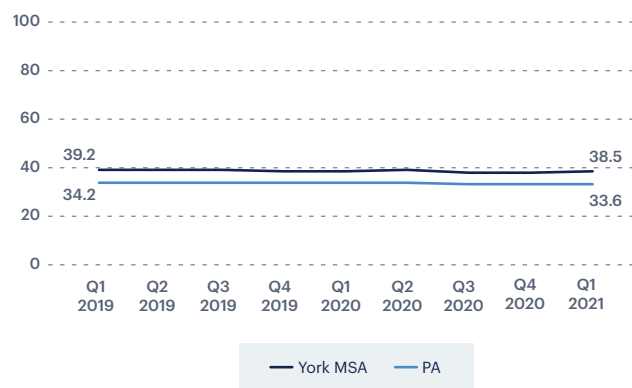
FIGURE 2D. Share of Borrowers with Credit Card Debt

77.3
75.9
78.1
77.2

Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021

— York MSA   — PA
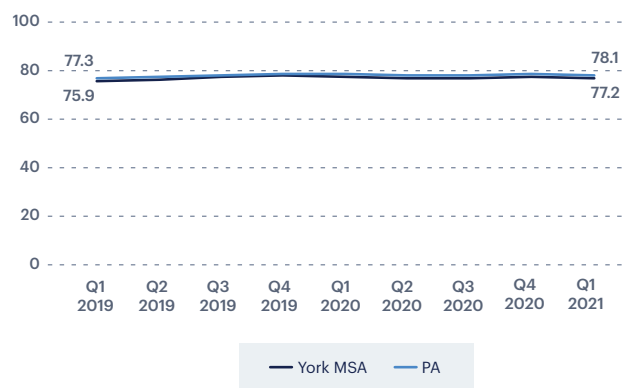
FIGURE 2E. Share of Borrowers with Home Equity Line of Credit (HELOC) Debt
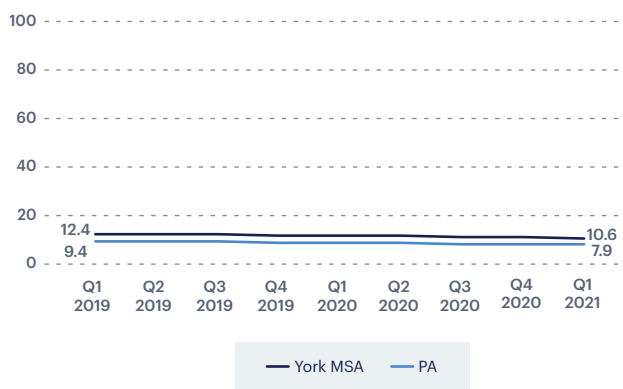
12.4
9.4
10.6
7.9

Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021

— York MSA   — PA

Note: Calculated for consumers with total debt >$0.

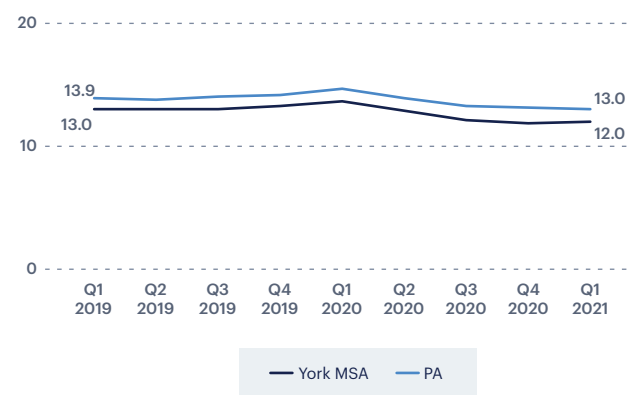Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP).

TABLE 1. Average Debt (Q1 2020–Q1 2021)

	YORK MSA			PENNSYLVANIA		
	Q1 2020 ($)	Q1 2021 ($)	CHANGE (%)	Q1 2020 ($)	Q1 2021 ($)	CHANGE (%)
Total	60,620	59,880	-1.2	59,850	59,490	-0.6
Auto	14,060	14,490	3.1	13,220	13,610	3.0
Mortgage	97,580	98,660	1.1	106,100	108,800	2.5
Student Loan	31,100	32,150	3.4	35,890	36,470	1.6
Credit Card	5,170	4,490	-13.3	5,440	4,640	-14.6
HELOC	25,950	25,410	-2.1	30,590	30,090	-1.7

Note: Figures rounded to the nearest $10. HELOC refers to a home equity line of credit. Figures are in 2021 dollars, adjusted using the Bureau of Economic Analysis PCE Price Index. Calculated for consumers with debt >$0 in each category.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP).

FIGURE 3. Share of Consumers in Credit Score Category
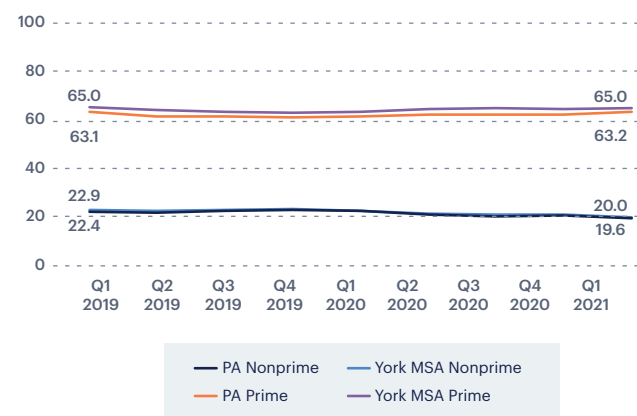
Note: Credit score refers to the Equifax Risk Score. Nonprime is defined as an Equifax Risk Score <660, and prime is defined as an Equifax Risk Score ≥660. Figures do not sum to 100 percent because some consumers do not have a sufficient credit history to generate a score.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP).

FIGURE 4. Share of Borrowers with Severely Delinquent Debt (90+ Days Past Due)

Note: Severe delinquency is defined as 90+ days past due, in collections, or classified as severely derogatory. Calculated for consumers with total debt >$0.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP).

TABLE 2: Share of Borrowers with Severely Delinquent Debt (90+ Days Past Due) by Debt Type (Q1 2020–Q1 2021)

	YORK MSA			PENNSYLVANIA		
	Q1 2020 (%)	Q1 2021 (%)	CHANGE (PP)	Q1 2020 (%)	Q1 2021 (%)	CHANGE (PP)
Auto	7.2	6.7	-0.5	7.6	7.1	-0.5
Mortgage	1.5	0.9	-0.6	1.4	1.0	-0.4
Student Loan	11.9	7.7	-4.2	13.1	8.6	-4.5
Credit Card	9.4	8.4	-1.0	10.3	9.6	-0.7
HELOC	0.7	0.6	-0.1	0.7	0.7	0.0

Note: Severe delinquency is defined as 90+ days past due, in collections, or classified as severely derogatory. Calculated for consumers with debt >$0 in each category.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP).

FIGURE 5. Share of Consumers with Debt in Collections
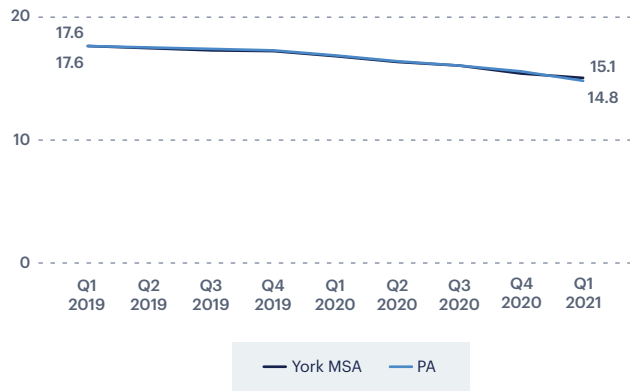

Note: Includes consumer debt collections not handled by the original creditor and adverse public records such as tax liens and debt judgments.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP).

FIGURE 6. Percent of Credit Card Users with Balances >75% of Their Credit Limit
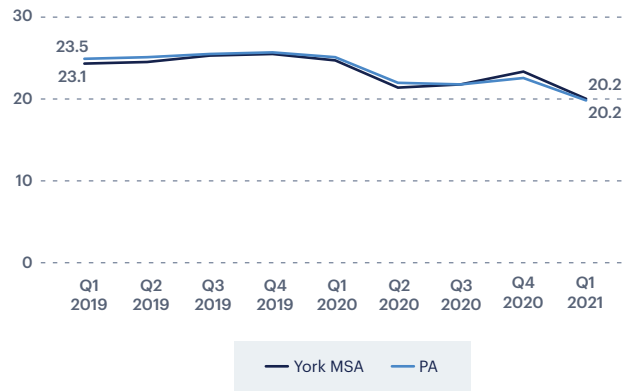
Note: Calculated for consumers with credit card debt >$0.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP).

MAP 1. Neighborhood Income Categories in the York MSA

Low/moderate income

Middle/upper income
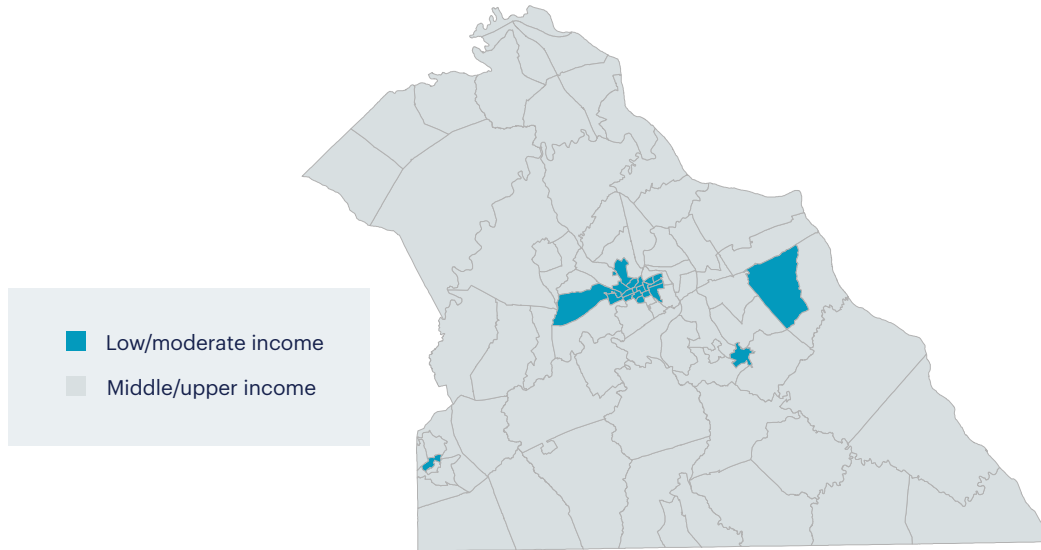
Source: Neighborhoods are assigned to income categories using data from the FFIEC 2020 Census Flat File. The image was constructed using the 2019 TIGER/Line Shapefiles prepared by the U.S. Census Bureau, 2019.

FIGURE 7. Share of Adults with Credit File and Score and Share of Adults with Debt by Neighborhood Income

Note: Credit score refers to the Equifax Risk Score. Adults are defined as residents 18 years or older.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP), U.S. Census Bureau American Community Survey 2019 5-year estimates, and the FFIEC 2020 Census Flat File.

Neighborhood Income Categories, Continued

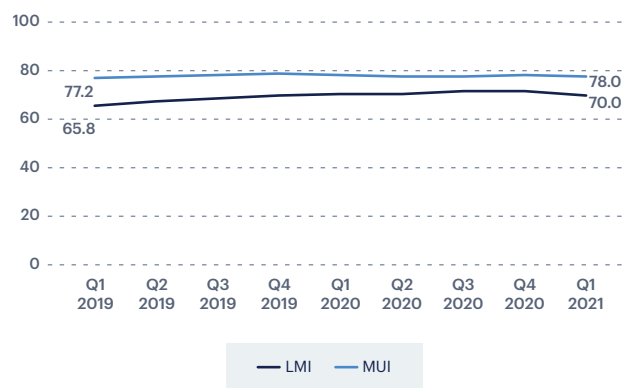**FIGURE 8A. Share of Borrowers with Auto Debt**
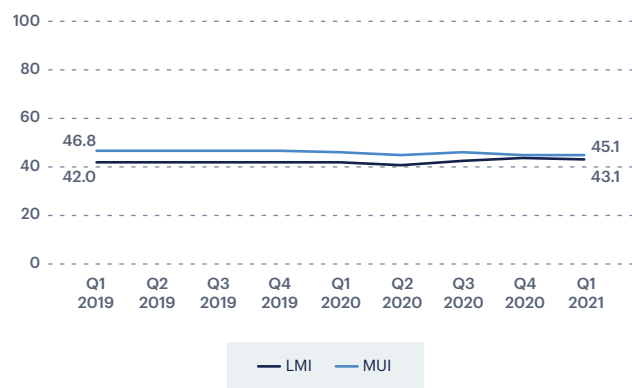
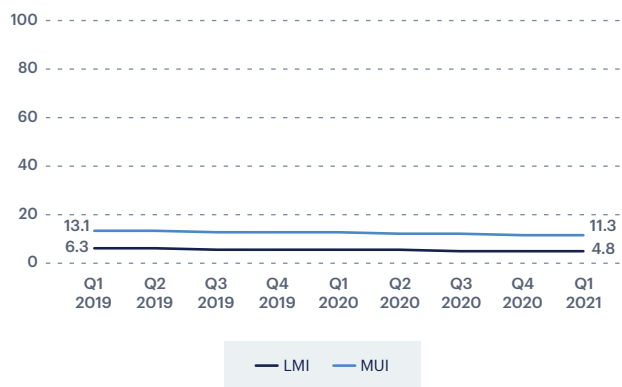**FIGURE 8B. Share of Borrowers with Student Loan Debt**
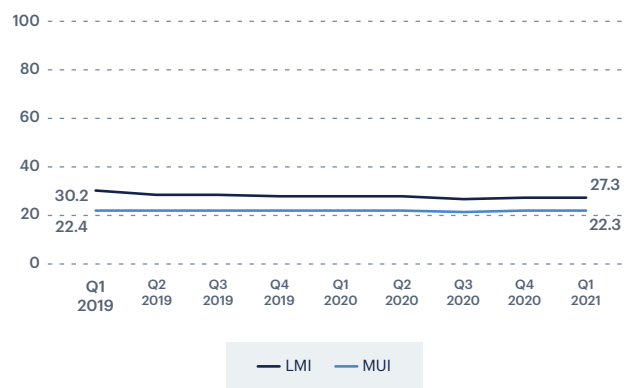
FIGURE 8C. Share of Borrowers with Mortgage Debt
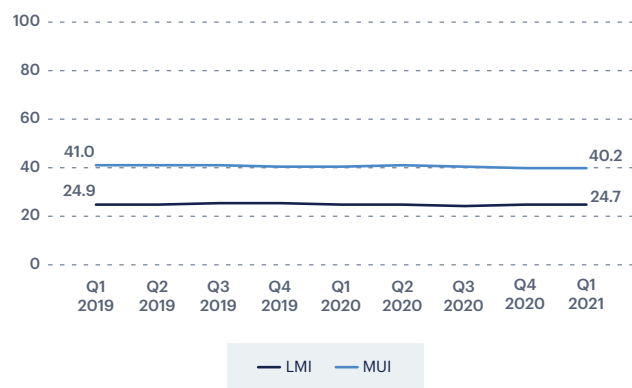
FIGURE 8D. Share of Borrowers with Credit Card Debt

FIGURE 8E. Share of Borrowers with HELOC Debt

Note: Calculated for consumers with total debt >$0.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

TABLE 3: Average Debt by Neighborhood Income (Q1 2020–Q1 2021)

	LOW/MODERATE			MIDDLE/UPPER		
	Q1 2020 ($)	Q1 2021 ($)	CHANGE (%)	Q1 2020 ($)	Q1 2021 ($)	CHANGE (%)
Total	34,820	34,090	-2.1	63,800	63,020	-1.2
Auto	12,350	13,340	8.0	14,250	14,630	2.6
Mortgage	61,660	61,600	-0.1	100,250	101,430	1.2
Student Loan	30,040	29,280	-2.5	31,290	32,570	4.1
Credit Card	4,330	3,690	-14.9	5,270	4,570	-13.1

Note: Figures rounded to the nearest $10. Figures are in 2021 dollars, adjusted using the Bureau of Economic Analysis PCE Price Index. Calculated for consumers with debt >$0 in each category. Estimates for HELOCs were omitted, as there were fewer than 100 observations in LMI neighborhoods.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.
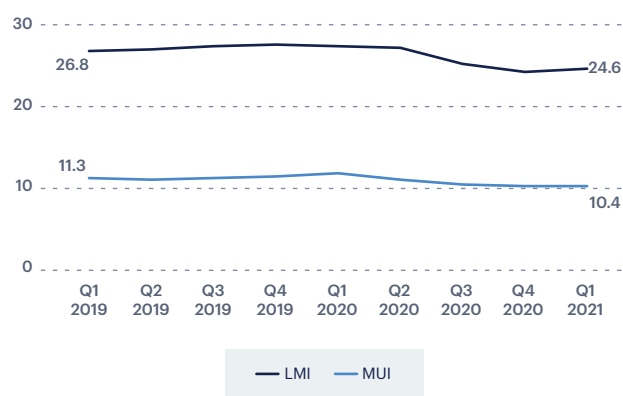
FIGURE 9. Share of Consumers in Credit Score Category by Neighborhood Income
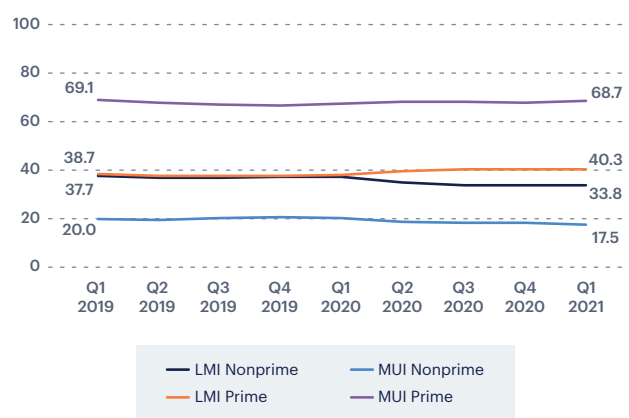
Note: Credit score refers to the Equifax Risk Score. Nonprime is defined as an Equifax Risk Score <660, and prime is defined as an Equifax Risk Score ≥660. Figures do not sum to 100 percent because some consumers do not have a sufficient credit history to generate a score.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

FIGURE 10. Borrowers with Severely Delinquent Debt (90+ Days Past Due) by Neighborhood Income

Note: Severe delinquency is defined as 90+ days past due, in collections, or classified as severely derogatory. Calculated for consumers with total debt >$0.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

TABLE 4. Share of Borrowers with Severely Delinquent Debt (90+ Days Past Due) by Debt Type and Neighborhood Income (Q1 2020–Q1 2021)

	LOW/MODERATE			MIDDLE/UPPER		
	Q1 2020 (%)	Q1 2021 (%)	CHANGE (PP)	Q1 2020 (%)	Q1 2021 (%)	CHANGE (PP)
Auto	18.0	16.0	-2.0	6.0	5.7	-0.3
Mortgage	4.0	1.8	-2.3	1.3	0.8	-0.4
Student Loan	22.5	17.4	-5.1	10.2	6.2	-3.9
Credit Card	19.2	17.6	-1.6	8.3	7.4	-0.9

Note: Severe delinquency is defined as 90+ days past due, in collections, or classified as severely derogatory. Calculated for consumers with debt >$0 in each category. Estimates for HELOCs were omitted, as there were fewer than 100 observations in LMI neighborhoods.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

FIGURE 11. Share of Consumers with Debt in Collections by Neighborhood Income
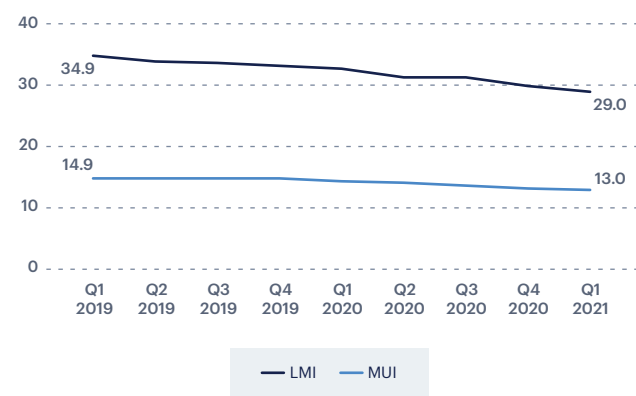
Note: Includes consumer debt collections not handled by the original creditor and adverse public records such as tax liens and debt judgments.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

**FIGURE 12. Percent of Credit Card Users with Balances >75% of Their Credit Limit by Neighborhood Income**
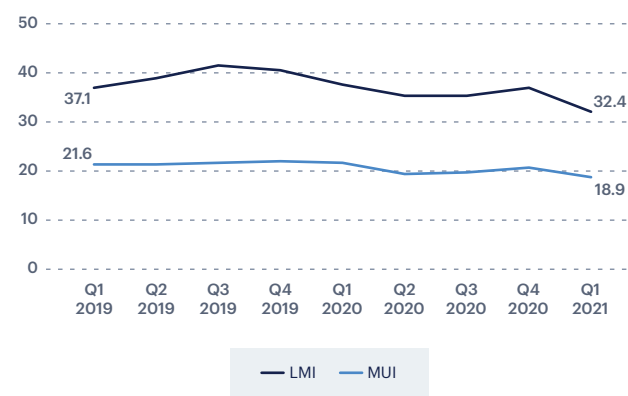
Note: Calculated for consumers with credit card debt >$0.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and FFIEC 2020 Census Flat File.

MAP 2. Majority Race/Ethnicity Categories in the York MSA

■ Majority people of color

■ Majority white
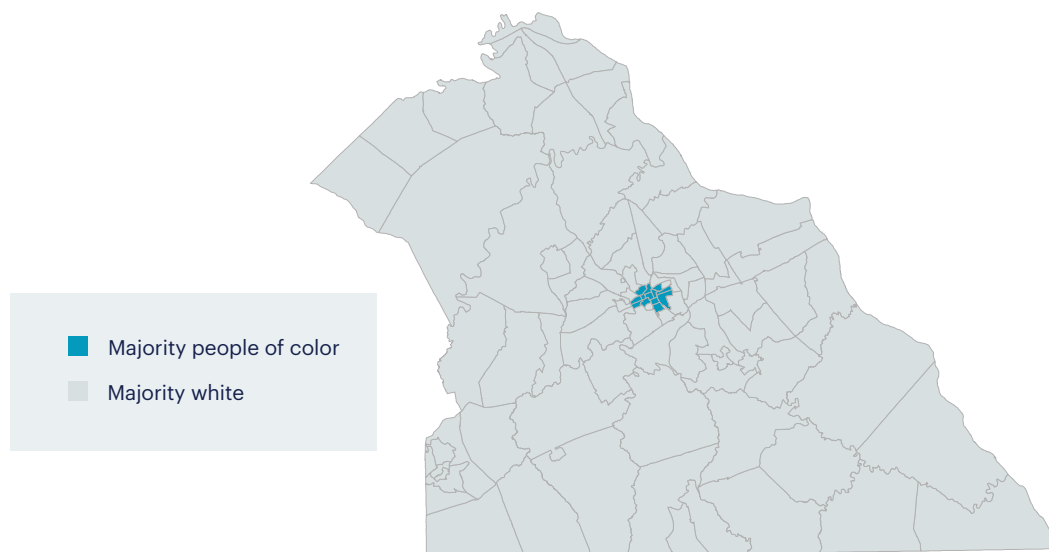
Source: Neighborhoods are assigned to racial/ethnicity categories using data from the FFIEC 2020 Census Flat File. The image was constructed using the 2019 TIGER/Line Shapefiles prepared by the U.S. Census Bureau, 2019.

FIGURE 13. Share of Adults with Credit File and Score and Share of Adults with Debt by Neighborhood Majority Race/Ethnicity

— Majority White with credit file and score   — Majority POC with credit file and score

— Majority White with debt   — Majority POC with debt

Note: Credit score refers to the Equifax Risk Score. Adults are defined as residents 18 years or older.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP), U.S. Census Bureau American Community Survey 2019 5-year estimates, and the FFIEC 2020 Census Flat File.
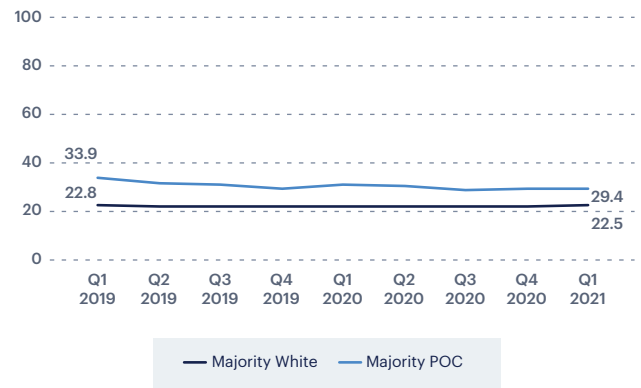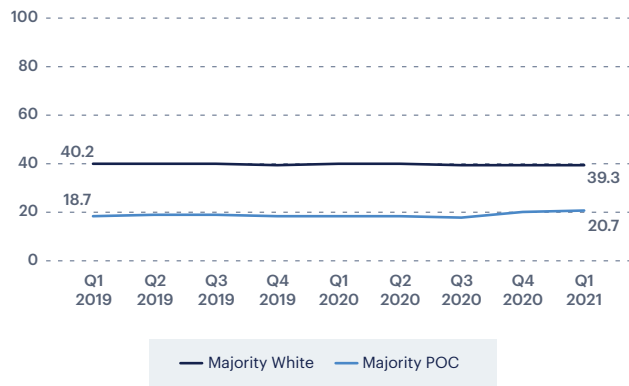
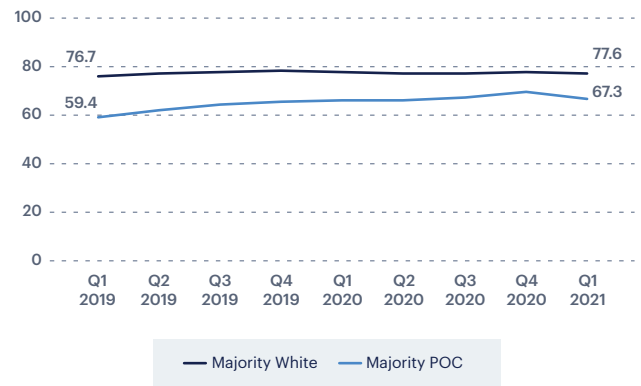**FIGURE 14A. Share of Borrowers with Auto Debt**
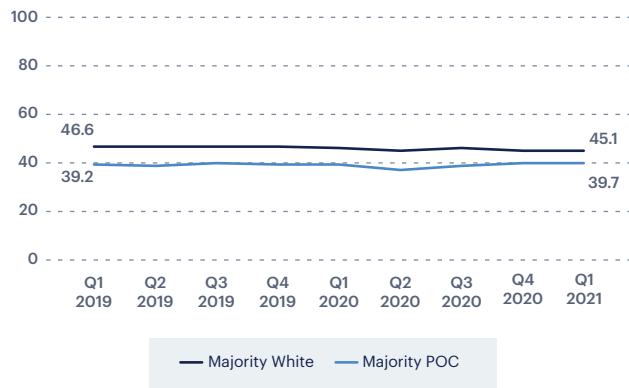
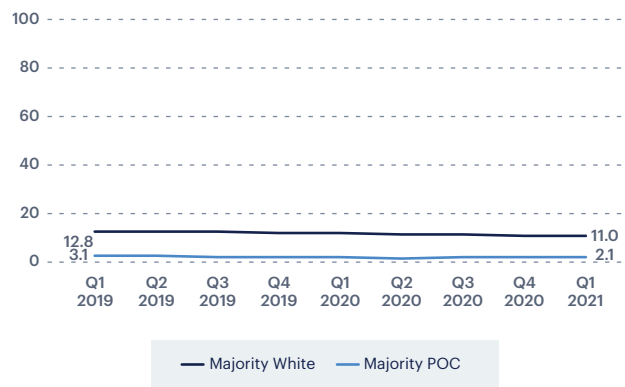**FIGURE 14B. Share of Borrowers with Student Loan Debt**

FIGURE 14C. Share of Borrowers with Mortgage Debt

FIGURE 14D. Share of Borrowers with Credit Card Debt

FIGURE 14E. Share of Borrowers with HELOC Debt

Note: Calculated for consumers with total debt >$0.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

TABLE 5. Average Debt by Neighborhood Majority Race/Ethnicity (Q1 2020–Q1 2021)

	MAJORITY NON-HISPANIC WHITE			MAJORITY PEOPLE OF COLOR		
	Q1 2020 ($)	Q1 2021 ($)	CHANGE (%)	Q1 2020 ($)	Q1 2021 ($)	CHANGE (%)
Total	62,210	61,350	-1.4	27,130	28,470	4.7
Auto	14,080	14,510	2.9	13,510	14,130	4.4
Mortgage	98,580	99,680	1.1	51,330	57,050	10.0
Student loan	31,370	32,520	3.5	27,230	26,060	-4.5
Credit card	5,250	4,550	-15.2	3,370	2,830	-19.0

Note: Figures rounded to the nearest $10. Figures are in 2021 dollars, adjusted using the Bureau of Economic Analysis PCE Price Index. Calculated for consumers with debt >$0 in each category. Estimates for HELOCs were omitted, as there were fewer than 100 observations in majority POC neighborhoods.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

FIGURE 15. Share of Consumers in Credit Score Category by Neighborhood Majority Race/Ethnicity
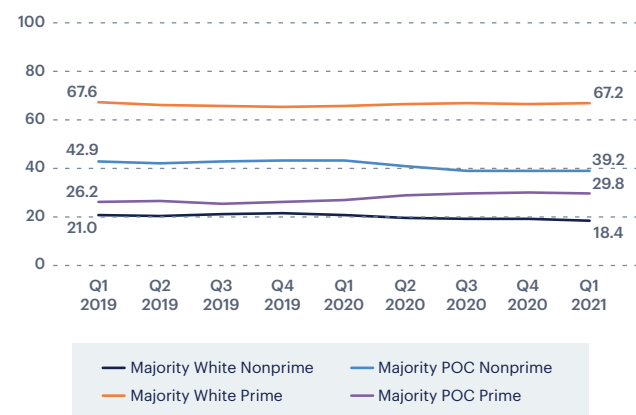
Note: Credit score refers to the Equifax Risk Score. Nonprime is defined as an Equifax Risk Score <660, and prime is defined as an Equifax Risk Score ≥660. Figures do not add up to 100 percent because some consumers do not have a sufficient credit history to generate a score.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

FIGURE 16. Borrowers with Severely Delinquent Debt (90+ Days Past Due) by Neighborhood Majority Race/Ethnicity
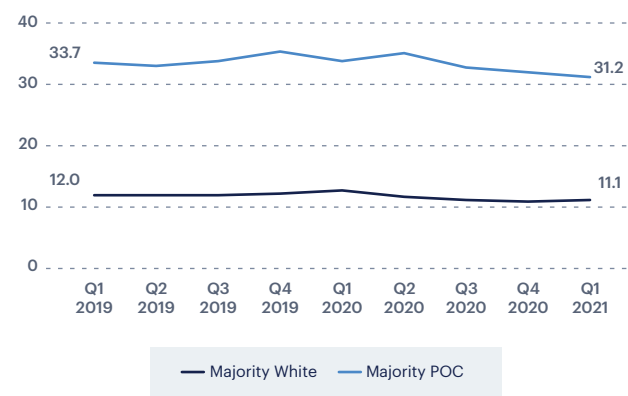
Note: Severe delinquency is defined as 90+ days past due, in collections, or classified as severely derogatory. Calculated for consumers with total debt >$0.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

TABLE 6. Share of Borrowers with Severely Delinquent Debt (90+ Days Past Due) by Debt Type and Neighborhood Majority Race/Ethnicity (Q1 2020–Q1 2021)

	MAJORITY NON-HISPANIC WHITE			MAJORITY PEOPLE OF COLOR		
	Q1 2020 (%)	Q1 2021 (%)	CHANGE (PP)	Q1 2020 (%)	Q1 2021 (%)	CHANGE (PP)
Auto	6.7	6.3	-0.4	20.9	18.4	-2.5
Mortgage	1.4	0.8	-0.5	6.6	3.7	-2.9
Student Loan	10.5	6.8	-3.7	32.8	22.3	-10.6
Credit Card	8.8	7.8	-1.0	22.9	23.1	0.2

Notes: Severe delinquency is defined as 90+ days past due, in collections, or classified as severely derogatory. Calculated for consumers with debt >$0 in each category. Estimates for HELOCs were omitted, as there were fewer than 100 observations in majority-POC neighborhoods.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.
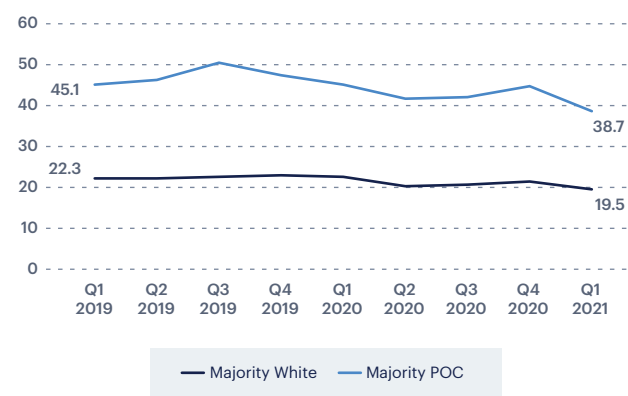
FIGURE 17. Share of Consumers with Debt in Collections by Neighborhood Majority Race/Ethnicity
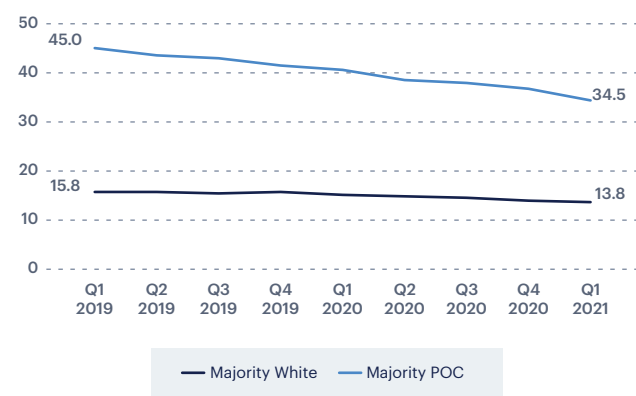
Note: Includes consumer debt collections not handled by the original creditor and adverse public records such as tax liens and debt judgments.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.

FIGURE 18. Percent of Credit Card Users with Balances >75% of Their Credit Limit by Neighborhood Majority Race/Ethnicity

Note: Calculated for consumers with credit card debt >$0.

Source: Author's calculations using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax (CCP) and the FFIEC 2020 Census Flat File.