

Debt Holding and Burden by Family Structure: Patterns and Trends in 1989-2007

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Abstract

Financial deregulation started in the 1980s provided families both economic opportunities and risks. Rapidly increased mortgage, credit card and other debts are out of control among many families that arguably caused the recent great recession. The purpose of this study is to describe patterns and trends of debts held by American families with data from 1989-2007 Surveys of Consumer Finances. Eight family structure types were formed in terms of marital status, gender, and child status. Holding patterns and trends of five types of debts (mortgage, credit card, vehicle, education, and purchase loan) and two debt burden measures were examined. For all family types, the holding rate of credit card debt increased but that of the purchase loan decreased in the last two decades. Compared with the average, married with children families were more likely to hold mortgage, credit card, and vehicle loans. In terms of debt burdens, cohabiting couples with children and single mothers had the highest rate of the heavy debt to income ratio (over 40%) and of debt delinquency.

Endnotes

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