

## FED SURVEY OF CONSUMER FINANCES 2025 - 9 OCT

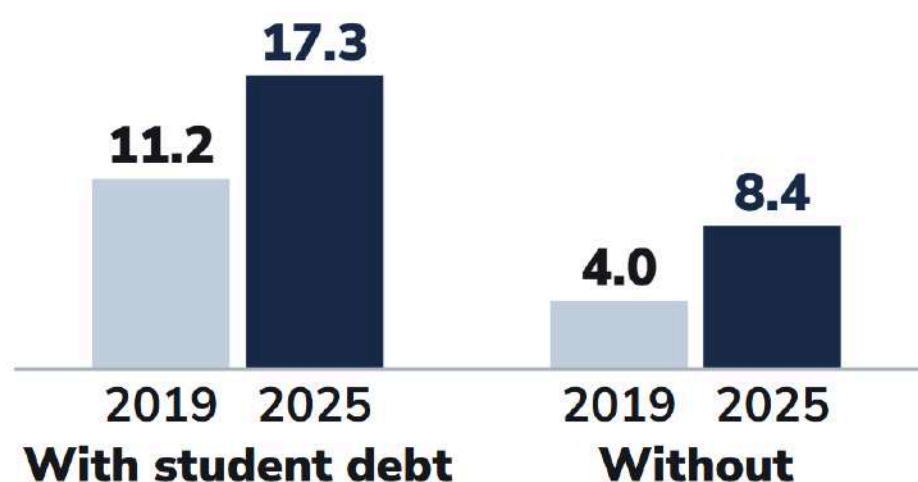
# US consumers: the pressure is building, not yet breaking

Families were already behind on payments at 2010 levels. Jobs will decide whether it breaks.

- More families fell behind on loan payments
- Lower and middle-income families are hit hardest
- Borrowing costs rose this year
- Pay has trailed prices since April
- Hiring is low and layoffs are low
- People out of work are taking longer to find a job

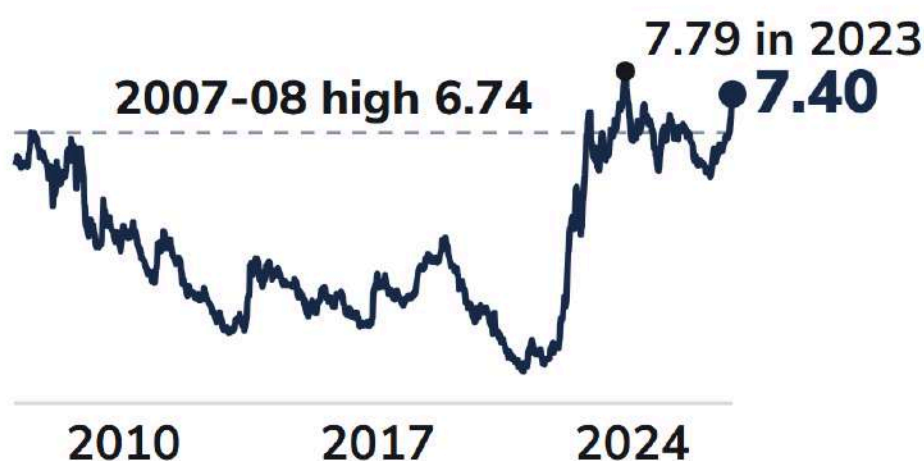
## Families with debt two months or more late, %

with and without student loans, Fed survey 2019 and 2025



## 30-year mortgage rate, %

weekly, 2007 to 8 Oct 2026



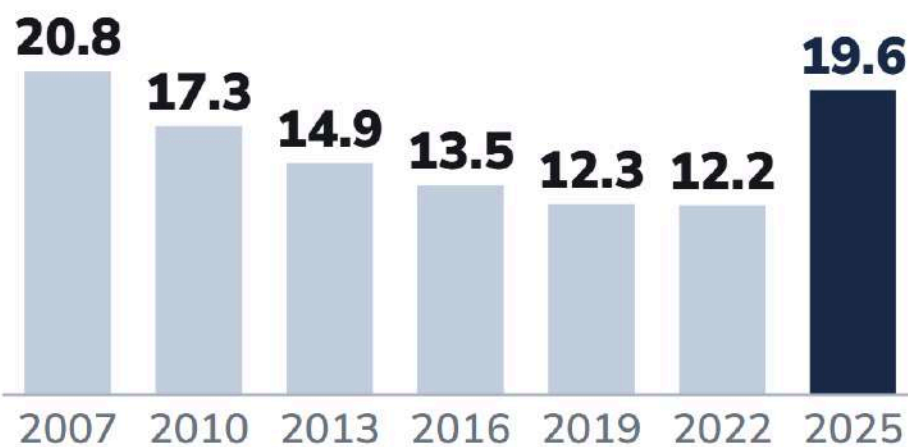
**SOURCES** Federal Reserve [Survey of Consumer Finances 2025](#). FRED, BLS, FDIC, NCUA and NY Fed data via [TREMOR](#). The student loan chart skips 2022, when payments were paused.

# More families fell behind on loan payments in 2025

- **19.6% of families were late on a loan payment** in the year before the 2025 survey, the highest since the 2007 survey.
- **Student loans are part of it.** Families with debt but no student debt fell behind too.

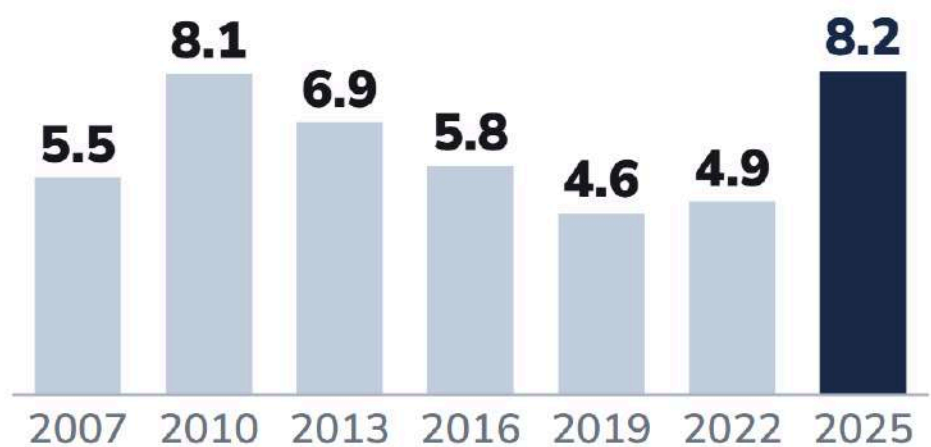
## Late on any loan payment

% of all families, Fed survey



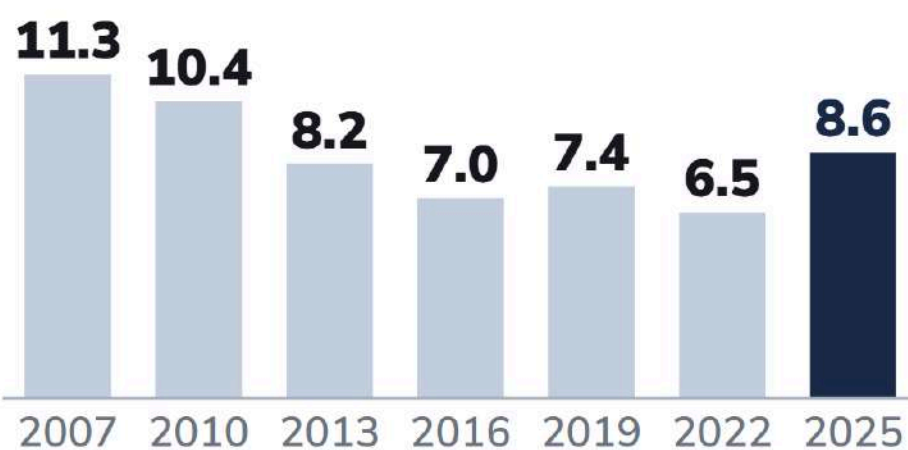
## Two months or more late

% of all families



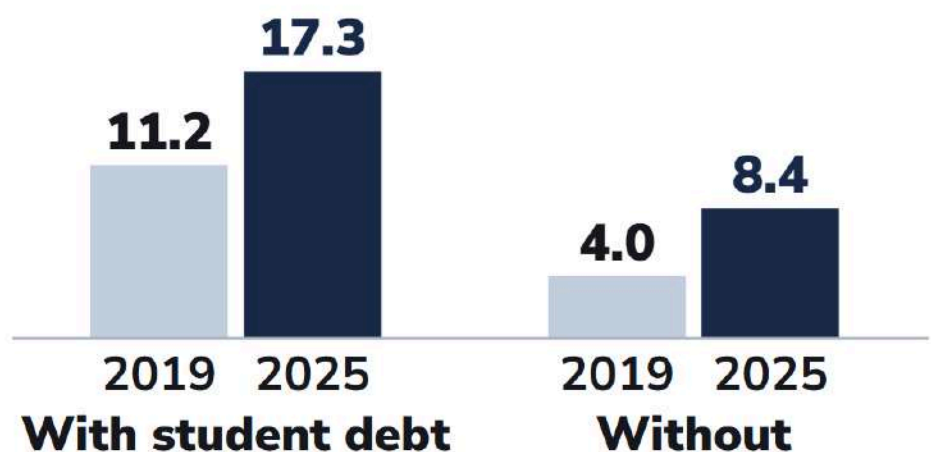
## Paying over 40% of income on debt

% of all families



## By student debt

% of families with debt, two months or more late, 2019 and 2025

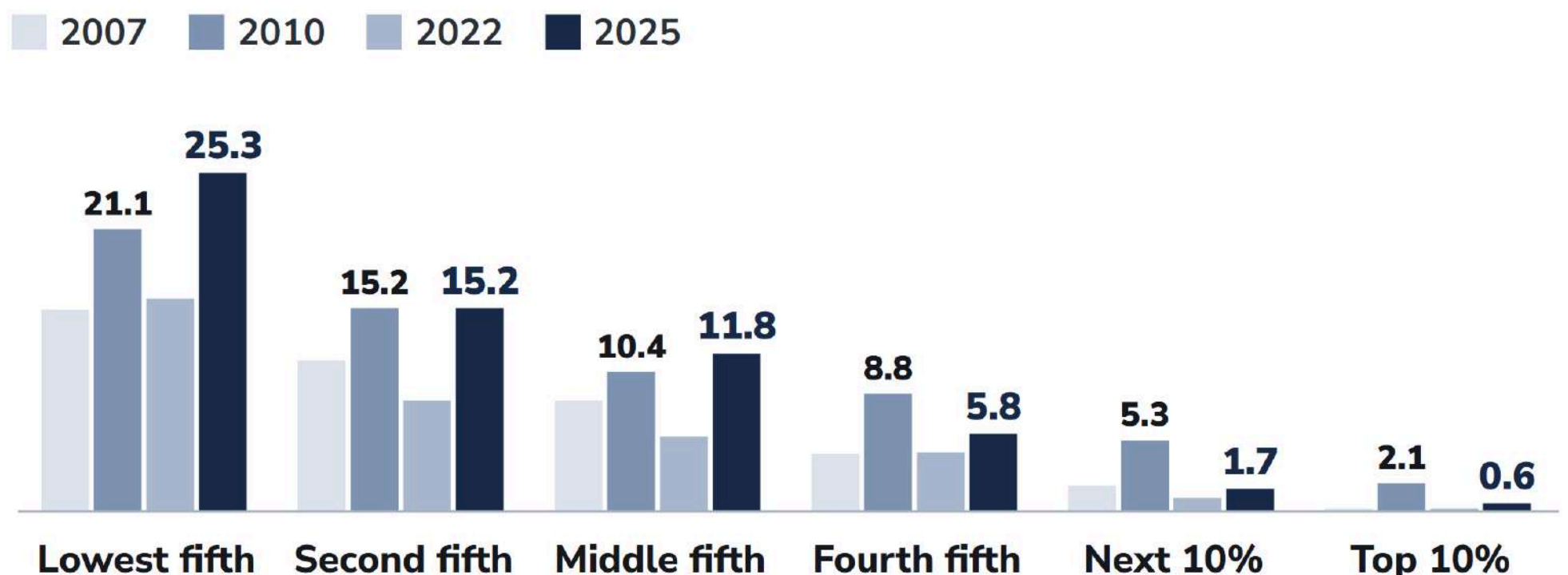


**SOURCES AND METHODS** Federal Reserve, [Changes in US Family Finances 2022 to 2025](#), table 5. 2007, 2010 and the student debt split are our calculation from the [public extracts](#). The split starts in 2019: student loan payments were paused from 2020 to 2023, and missed payments were not reported until late 2024.

# Late payments among lower and middle incomes are back to 2010 levels

- **The lowest fifth is at a record.** 25.3% of families with debt were two months or more late, against 21.1% in 2010.
- **The second and middle fifths are level with or above 2010.**
- **Higher-income families are well below their 2010 levels.**
- **These are survey estimates.** The lowest fifth with debt is about 440 of the 4,367 families interviewed, so gaps of a point or two are within sampling error.

## Families with debt two months or more late on a payment, %



Families are ranked by income. The lowest fifth is the 20% of families with the lowest incomes, and the top 10% have the highest.

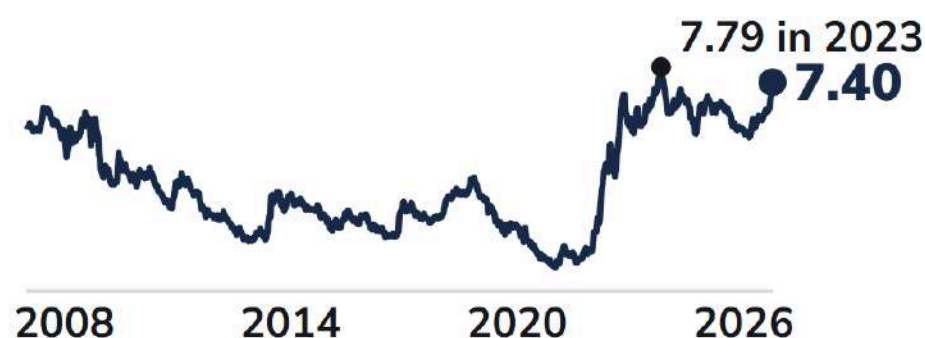
**SOURCES AND METHODS** Federal Reserve, [historical tables](#), table 18: families with debt, grouped by percentile of income.

# This year, borrowing costs, prices and pay have all moved against households

- **Rates.** The 30-year mortgage rate rose from 6.15% at the end of 2025 to 7.40%, the highest since November 2023. The Fed raised rates in September.
- **Most existing debt is fixed.** Mortgages are 70% of household debt. Cards and home equity lines are 9% and move with the Fed rate. New borrowers feel it first.
- **Prices and pay.** Energy is up 16.3% on a year. Pay has grown slower than prices since April. Saving is the lowest since November 2022.

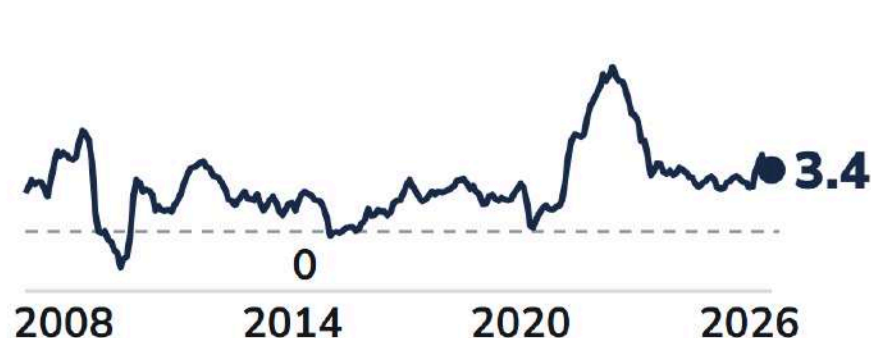
## 30-year mortgage rate, %

weekly, Freddie Mac



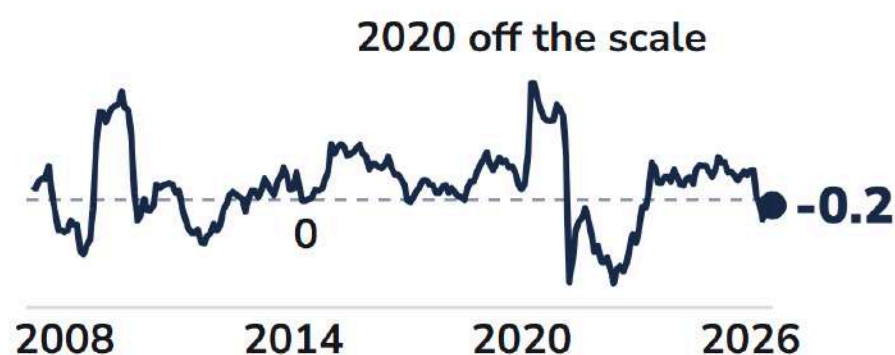
## Inflation, % a year

consumer prices, monthly



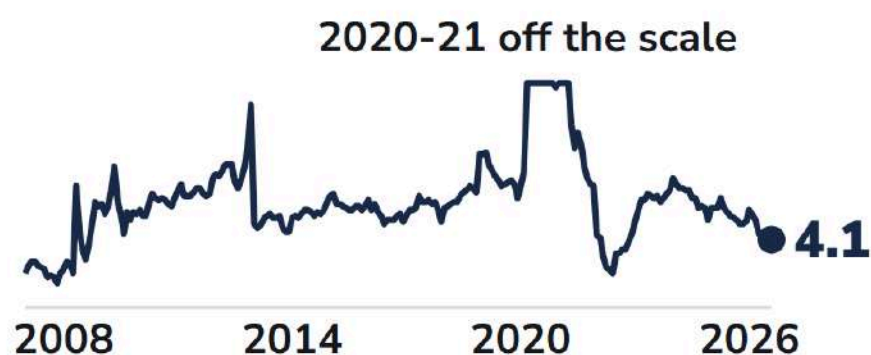
## Hourly pay growth minus inflation

percentage points, monthly



## Saving rate, % of income

monthly



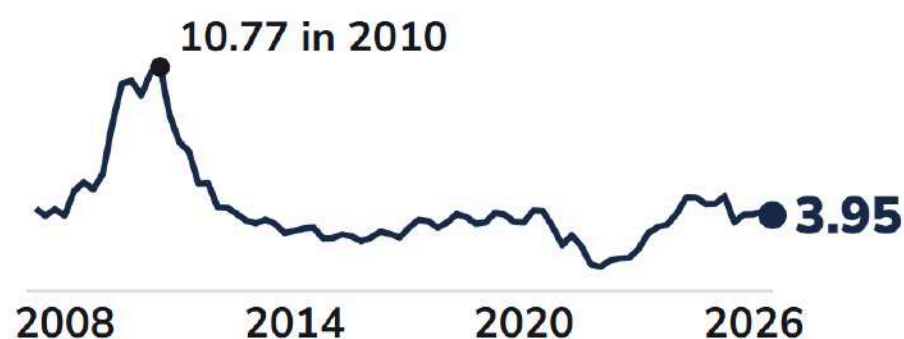
**SOURCES AND METHODS** FRED [MORTGAGE30US](#), [CPIAUCSL](#), [CES0500000003](#) and [PSAVERT](#) via [TREMOR](#), 2007 to latest. Pay is all private employees. Energy: [BLS, August](#). Debt mix: [NY Fed](#), Q2 2026. [Fed, 16 Sep](#).

# Credit union losses are well above 2019. Mortgage lates are rising.

- **Credit unions are well above 2019.** Consumer charge-offs were 1.74% a year in Q2 2026, against about 1.1% in 2019.
- **Bank cards are close to 2019.** Card charge-offs were 4.01% over the last four quarters, against 3.82% in 2019 and 4.62% in 2024.
- **Mortgage lates are still rising.** New 90-day lates are the highest since Q4 2015, still below Q3 2007. Auto lates are the highest since 2010, above Q3 2007.

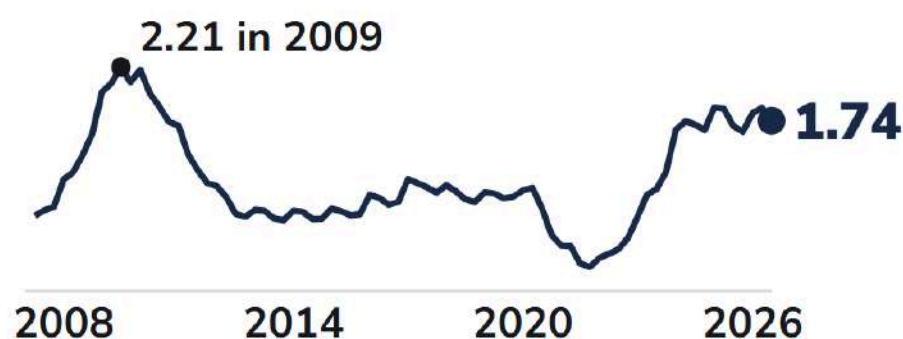
## Bank credit card charge-offs

% of balances a year, FDIC



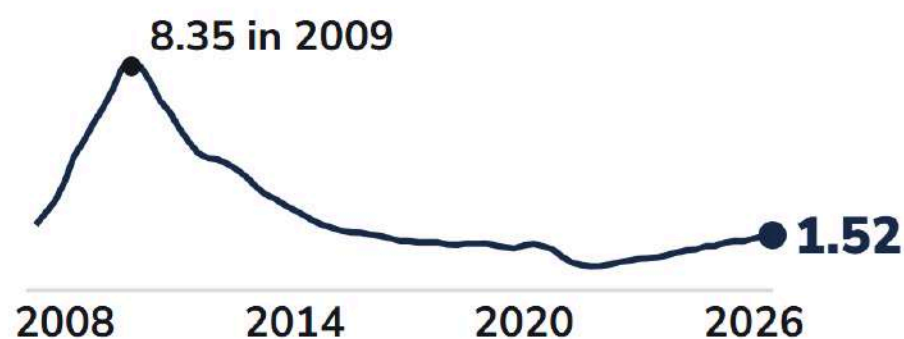
## Credit union consumer charge-offs

% of balances a year, NCUA



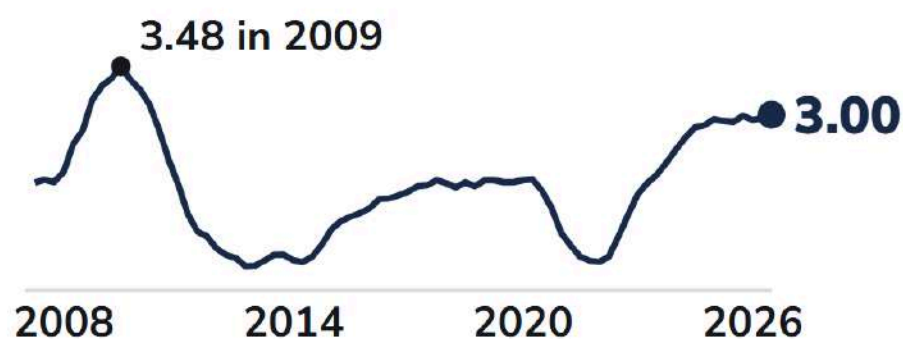
## Mortgages turning 90 days late

% of balances a year, NY Fed



## Auto loans turning 90 days late

% of balances a year, NY Fed



**SOURCES AND METHODS** FDIC call reports, NCUA 5300 and NY Fed household debt via [TREMOR](#), quarterly to Q2 2026. Charge-offs are the quarter annualised; Q2 2025 card charge-offs are unusually low in the filed totals, so cards are compared over four quarters. NY Fed lates are new flows into 90 days late. My Q2 notes: [Credit Unions](#), [NY Fed](#), [FDIC](#).

# Hiring is low and layoffs are low. People out of work stay out longer.

- **Unemployment is higher than in 2023.** It is 4.2%, against 3.5% in January 2023. It eased this year because fewer people are in the labour force.
- **Jobs decide what comes next.** Late payments are already at 2010 levels. Job losses would add to them.

## Unemployment rate

per cent



3.5

Jan 2023

4.2

Sep 2026

## Hiring rate

per cent of jobs a month



4.1

Jan 2023

3.3

Aug 2026

## Layoffs rate

per cent of jobs a month



1.1

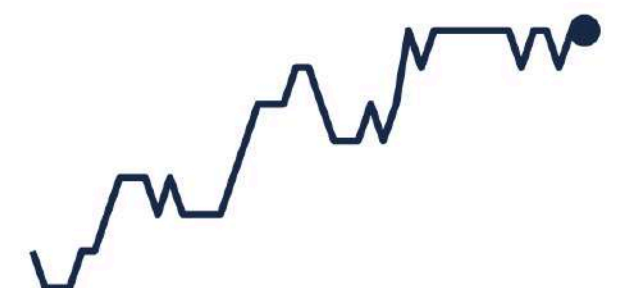
Jan 2023

1.0

Aug 2026

## Jobless 15 weeks+

per cent of the labour force



1.2

Jan 2023

1.8

Sep 2026

## Time out of work

median, weeks



9.6

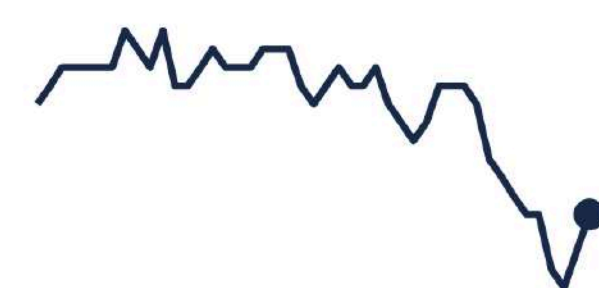
Jan 2023

11.5

Sep 2026

## Participation

per cent of adults



62.4

Jan 2023

61.8

Sep 2026

**SOURCES** BLS household survey and JOLTS via [TREMOR](#), FRED series [UNRATE](#), [JTSHIR](#), [JTSLDR](#), [U1RATE](#), [UEMPMED](#), [CIVPART](#). Full jobs analysis: [US jobs, September 2026](#).

# This builds on my earlier analysis

## JOBS

- 12 Oct**     **Fewer young workers in the jobs most exposed to AI**  
In the most exposed jobs, ages 22 to 25 are down about 13% since 2022.
- 
- 4 Oct**     **US jobs in September 2026**  
Fewer new jobs, longer searches, pay barely keeping up.
- 

## BOND MARKETS

- 6 Sep**     **Bond markets are sounding an alarm**  
Long rates rose in the US, Europe and Japan as the Fed cut.
- 
- 25 Sep**    **The bond market rout of 2026**  
The 10-year went above 5%, the first time since 2007.
- 

## DELINQUENCY AND LOSSES, Q2 2026

- 21 Aug**    **Household debt, NY Fed**  
Auto and mortgage lates rose while the headline fell.
- 
- 27 Aug**    **US banks, FDIC**  
All-bank charge-offs came off their peak, still above 2019.
- 
- 19 Sep**    **Credit unions, NCUA**  
Losses above pre-crisis, lates above pre-COVID in all segments.
- 

**Data.** Federal Reserve Survey of Consumer Finances 2025. FRED series via [TREMOR](#), checked against the FRED API with no differences. FDIC, NCUA and NY Fed data via TREMOR. Data to 8 Oct 2026.

**Use of AI.** Parts of this work were prepared with AI under my direction. I reviewed, edited and approved every page. Every data series is pulled from the sources above. The analysis and conclusions are mine.