

Racial disparities in overdue debt among older adults

Abstract

We document the prevalence and amount of debt delinquency in the United States among older adults, overall and across racial/ethnic group geographic compositions. Using administrative data on credit use for a sample of 4 million older adult borrowers, we show that about one in five consumers age 50 or older with a credit bureau record had delinquent debt in August 2022, suggesting difficulties meeting financial obligations in retirement. The prevalence of debt delinquency decreased with age, with about one in four adults ages 50 to 61 and one in six adults age 62 or older holding delinquent debt. Consumers living in local areas where a majority of residents identify as American Indian or Alaska Native, Black, Hispanic, or Asian American or Pacific Islander were more likely to have delinquent debt and/or higher median amounts of delinquent debt, relative to consumers in majority-white areas, for various types of delinquent debt.

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1. Introduction

An increasing share of older Americans is carrying debt into retirement. A U.S. Government Accountability Office (2021) analysis of the Survey of Consumer Finances found that 71% of older households (those with head of household over age 50) held some debt in 2016, compared with 58% of older households in 1989. Further, the median debt amount for older households with debt was about three times higher in 2016 (\$55,300) than in 1989 (\$18,900 in real 2016 dollars).

Recent studies have documented increased debt for older adults in retirement (Lusardi and Mitchell 2020; Lusardi et al. 2018, 2020a, 2020b), including a recent increase in debt carried into retirement in the wake of the COVID-19 pandemic for many older adults, in particular those with lower incomes (Brown et al. 2022). However, little is known about older adults' ability to pay off their debt. This chapter sheds light on older adults' debt management abilities by examining the prevalence and amounts of delinquent debt.

The status of household debt depends on the number of days the debt is past due. This can vary based on the creditor and the type of credit (e.g., student loan debt, credit card debt, medical debt; Akin 2020). In general, borrowers with debt that is 1–30 days past due will typically face a late fee, but this late debt may not be reported to the credit bureaus. Delinquent debt more than 30 days past due may be reported to the credit bureaus and appear on individual credit reports. These reported delinquencies can decrease borrower credit scores and limit future access to credit. Debt that is 120–180 days or more past due may be closed and sent to internal or external collectors.

We examine the prevalence and median amounts of various types of debt among older adults. We define these debt types as:

- **Delinquent debt:** any type of debt 60 or more days past due and highly likely to appear on the borrower's credit report, including derogatory debt sent to collections.
- **Debt in collections:** any type of debt that has been closed and charged off on a creditor's books, and either moved to internal collections or sent to an external collections agency to attempt collection of the debt, typically after 120 to 180 or more days of nonpayment (depending on the creditor and the type of debt).
- **Medical debt in collections:** medical debt in internal or external collections reported to credit bureaus after at least 180 days of nonpayment.
- **Delinquent student loan debt:** student loan debt 60 or more days past due.
- **Delinquent credit card debt:** credit card debt 30 or more days past due.

Our analysis of debt delinquency among older adults provides a new perspective on a classic question in household finance: namely, whether people have saved enough for retirement. High prevalence and amounts of delinquent debt in retirement strongly suggest insufficient income and assets and general retirement insecurity. We show that about 21% of older adults in our sample had any type of delinquent debt, and about 20% had debt in collections. Adults ages 50 to 61 had a higher debt delinquency rate than those age 62 or older for both delinquent debt and debt in collections. About 28% of adults ages 50 to 61 had any type of delinquent debt, and 27% had debt in collections, while about 16% of those age 62 or older had any type of delinquent debt and 15% had debt in collections.

Further, areas with majority American Indian or Alaska Native (AIAN) residents had the highest prevalence and median levels of delinquent debt and debt in collections. Majority-Black and majority-Hispanic areas also had a higher prevalence and median amount of delinquent debt and debt in collections relative to consumers in our sample overall. Although majority-Asian American or Pacific Islander (AAPI) areas had a relatively low prevalence of delinquent debt and debt in collections, median debt levels were high for those who have delinquent debt or debt in collections. This suggests a high level of debt disparity, and potentially wealth inequality among majority-AAPI subgroups.

We contribute to the literature in three ways. First, most previous research relies on survey data, but here we use individual-level credit data from a major credit bureau on 4 million borrowers ages 50+ with a credit record, to study how debt shapes older adults' financial wellness. Second, we focus on delinquent debt—rather than credit score or total debt, as in the existing literature (Lusardi et al., 2020b; Beshears et al., 2022)—because it is a direct indication of financial vulnerability and lack of income. Delinquent debt not only indicates peoples' ability to manage debt, but also their struggle to balance paying down debt to avoid fines and fees with covering daily expenses. Our research thus speaks to a long-standing question in household and public finance, i.e., whether Americans save enough for retirement, taking into account Social Security (Scholz et al., 2006; Skinner, 2007).

Finally, our analysis of debt by racial/ethnic characteristics provides new empirical evidence on disparities in financial well-being and retirement security. Recent studies have not only shown racial wealth gaps in general (Kijakazi et al., 2020; Zhong & Williams, 2022), but also stark racial disparities in retirement assets. Thompson et al. (forthcoming) document wider disparities in total retirement assets than housing wealth, mostly because of lower coverage of defined contribution plans among Black and Hispanic households than white households. Catherine and

Sarin (forthcoming) find that Social Security wealth helps shrink the racial wealth gap. We use detailed credit data to show that older adults in areas where the majority of residents are people of color had a higher prevalence of delinquent debt and a higher median delinquent debt amount than majority-white areas, which deepens our understanding of racial disparities in financial wellness for the older population.

2. Data

Our primary data source consists of a sample of 4 million individual-level records gathered in August 2022 by a major credit bureau, supplemented with 2017–21 American Community Survey (ACS) five-year estimates at the ZIP Code Tabulation Area (ZCTA)–level from the U.S. Census Bureau.¹ The credit bureau data include a 4% sample of consumers ages 50 to 100 with a credit bureau record (4.8 million consumers). We restrict our sample to about 4 million consumers who live in a ZCTA where the majority of residents are either non-Hispanic white, non-Hispanic Black, non-Hispanic AAPI, non-Hispanic AIAN or Hispanic of any race. These records provide information on consumer age, geographic identifiers (e.g., zip code), VantageScore credit score and debt amounts for various types of debts in a range of past-due statuses.

These data don't reflect older adults lacking a credit record. About 10% of all adults nationally are estimated to be “credit invisible,” but the share of credit-invisible people varies widely by age, race, and ethnicity (Brevoort et al., 2015). For example, adults age 65 and older are more likely to be credit

invisible than adults ages 50 to 64, and consumers who are Black, Hispanic, or another race or ethnicity are more likely to be credit invisible than those who are white or Asian.

We use 2017–21 American Community Survey (ACS) five-year estimates of ZCTA-level race and ethnicity population counts to supplement the credit bureau data, which lack individual-level demographic and socioeconomic characteristics. We define consumers living in ZCTAs where 50% or more of the population belong to a specific racial/ethnic group as living in a “majority” area. For example, consumers living in ZCTAs where at least 50% of residents are non-Hispanic white are identified as living in majority-white areas. We use the same approach for non-Hispanic AAPI, non-Hispanic AIAN, non-Hispanic Black and Hispanic of any race, when data are available. We exclude areas that are majority-multiracial or some other race because of small sample sizes. We also exclude consumers in areas with no majority race group, given our focus on disparities across racial and ethnic groups.

2.1 Summary statistics

We use borrower risk profiles from the Consumer Financial Protection Bureau (CFPB) to categorize our sample into four groups according to their credit scores: subprime (credit score below 620), near prime (credit score 620 to 659), prime (credit score 660+) or no score (CFPB 2019). Table 1 presents descriptive statistics showing that about 76% of older adults in our sample had a prime credit score, 16% a subprime score, and another 8% a near prime score. Fewer than 1% of observations lacked a credit score.

¹ ZCTAs are generalized representations of U.S. Postal Service zip codes created by the U.S. Census Bureau to tabulate population data for these local areas.

TABLE 1. SUMMARY STATISTICS

	All	Ages 50 – 61	Ages 62+ ^a
Credit score tier (%)^b			
Subprime (< 620)	15.6	22.0	11.3
Near prime (620 – 659)	7.8	9.3	6.8
Prime (660+)	75.7	67.4	81.1
No score	0.9	1.3	0.7
ZCTA majority race/ethnicity (%)^c			
White	83.3	81.0	84.8
Hispanic	9.7	11.5	8.5
Black	5.7	6.2	5.5
AAPI	1.1	1.2	1.0
AIAN	0.2	0.2	0.2
Number of observations	4,083,424	1,620,568	2,462,856

Notes:

^aThe maximum age included in our sample is 100.

^bAll values shown are shares of consumers in each credit score tier. We use borrower risk profiles from the Consumer Financial Protection Bureau to create four credit score tiers: subprime (credit score below 620), near prime (credit score 620 to 659), prime (credit score 660+), or no score.

^cAll values shown are shares of consumers living in each type of majority race/ethnicity ZCTA. Consumers live in a majority race/ethnicity area if 50% or more of ZCTA residents identify as a given race/ethnicity. ZCTAs are generalized representations of U.S. Postal Service zip codes created by the U.S. Census Bureau to tabulate population data for these local areas.

Sources: Authors’ calculations using August 2022 credit bureau data, 2017–21 American Community Survey five-year estimates, and borrower risk profiles from the Consumer Financial Protection Bureau (CFPB 2019).

Further, we show that consumers ages 50 to 61 were more likely to have a subprime credit score than those ages 62 to 100. We use age 62 as the cutoff because this is the earliest age at which people can start receiving Social Security retirement benefits (SSA, 2023). The shares of Social Security Administration beneficiaries around age 62 are high across racial and ethnic groups according to microsimulation results (Table 1; Bridges & Choudhury, 2009).

Additionally, we show that more than 80% of consumers in our sample lived in areas where the majority of residents were non-Hispanic white. About 10% lived in majority-Hispanic areas, 6% in majority–non-Hispanic Black areas, 1% in majority–non-Hispanic AAPI areas, and 0.2% in majority–non-Hispanic AIAN areas.

3. Results

Older adults in our sample between ages 50 and 61 had higher debt-delinquency rates than those age 62 or older. We also evaluate both debt-delinquency rates and median

positive delinquent-debt amounts by race/ethnicity in local areas. We conclude that people living in majority–non-Hispanic AIAN areas had the highest debt-delinquency rates and the highest median positive delinquent-debt amounts. Residents in areas with Black, Hispanic, or AAPI majorities had higher shares of residents with delinquent debt and/or higher median amounts of delinquent debt, relative to majority-white areas, for various types of delinquent debt. We also draw comparisons with all consumers, encompassing all adults in our sample, regardless of the majority race/ethnicity in their area.

Table 2 shows that about 21% of older adults had any type of delinquent debt, and about 20% had debt in collections. Additionally, 9% of older adults had medical debt in collections. Of the 6% of older adults with student loan debt, 8% held delinquent student loans. Of the 67% of older adults with credit card debt, 3% held delinquent credit card debt.

TABLE 2. DELINQUENCY RATE BY TYPE OF DEBT

	All	Ages 50 – 61	Ages 62+ ^a	z-score (p value) ^b
Has open debt balance (%)	77.3	82.4	74.0	198.4 (0.00)
Has delinquent debt (%)	20.7	27.8	16.0	288.0 (0.00)
Has debt in collections (%)	19.9	26.8	15.4	282.2 (0.00)
Has medical debt in collections (%)	9.4	13.2	6.9	213.4 (0.00)
Has student loan debt (%)	6.4	11.1	3.3	315.2 (0.00)
Has delinquent student loan debt (%)	7.7	7.8	7.4	3.6 (0.00)
Has credit card debt (%)	66.9	70.5	64.6	124.0 (0.00)
Has delinquent credit card debt (%)	3.1	4.2	2.4	84.0 (0.00)
Number of observations	4,083,424	1,620,568	2,462,856	

Notes:

^aThe maximum age included in our sample is 100.

^bThe final column shows z statistics from a two sample Z test of proportions. All statistics are statistically significantly different at the 0.01 level.

Source: Authors' calculations using August 2022 credit bureau data.

We also see that those in our sample ages 50 to 61 had a higher delinquency rate than those age 62 or older for both delinquent debt and debt in collections. About 82% of people ages 50 to 61 had an open debt balance, 28% had any type of delinquent debt and 27% had debt in collections. About 74% of those age 62 or older had an open debt balance, 16% had any type of delinquent debt and 15% had debt in collections. In other words, about one in four consumers in our sample ages 50 to 61 had delinquent debt or debt in collections, compared with one in six of those age 62 or older.

Moreover, people ages 50 to 61 were more likely to have medical debt in collections, delinquent student loan debt, and delinquent credit card debt, compared with those age 62 or older. About 13.2% of consumers ages 50 to 61 had medical debt in collections, compared with 6.9% of consumers age 62 or older. Of those with student loan debt, 7.8% of adults ages 50 to 61 had delinquent student loan debt, while 7.4%

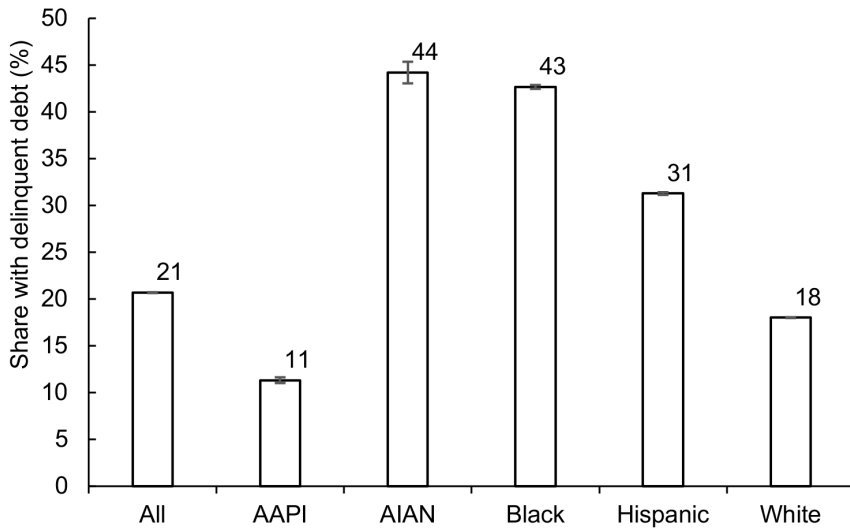
of those age 62 or older had delinquent student loan debt. Of those with credit card debt, 4.2% of adults ages 50 to 61 had delinquent credit card debt, while 2.4% of adults age 62 or older had delinquent credit card debt.

3.1 Debt delinquency and debt in collections

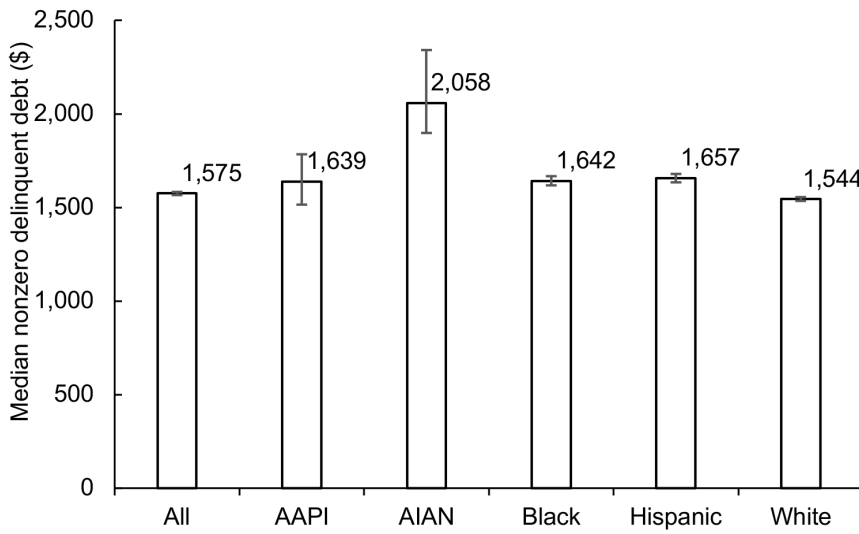
Panel A of Figure 1 illustrates that older adults living in areas where the majority of residents were non-Hispanic AIAN or non-Hispanic Black had the highest debt-delinquency rates. About 44% of residents living in majority-AIAN areas and 43% of residents living in majority-Black areas had any type of delinquent debt. Residents of majority-Hispanic areas also had a higher debt-delinquency rate (31%) than the overall level (21%). The error bars in all figures show 95% percentile bootstrap confidence intervals using 1,000 samples to create a distribution of the statistics of interest (i.e., shares or medians).

FIGURE 1. DELINQUENT DEBT FOR THE FULL SAMPLE AND BY MAJORITY RACIAL/ETHNIC GROUPS

A. Share with delinquent debt



B. Median delinquent debt for older adults with delinquent debt



Note: The “All” estimate reflects 4,083,424 consumers in panel A and 844,961 consumers in panel B. The error bars show 95% percentile bootstrap confidence intervals using 1,000 samples to create a distribution of the shares and medians.

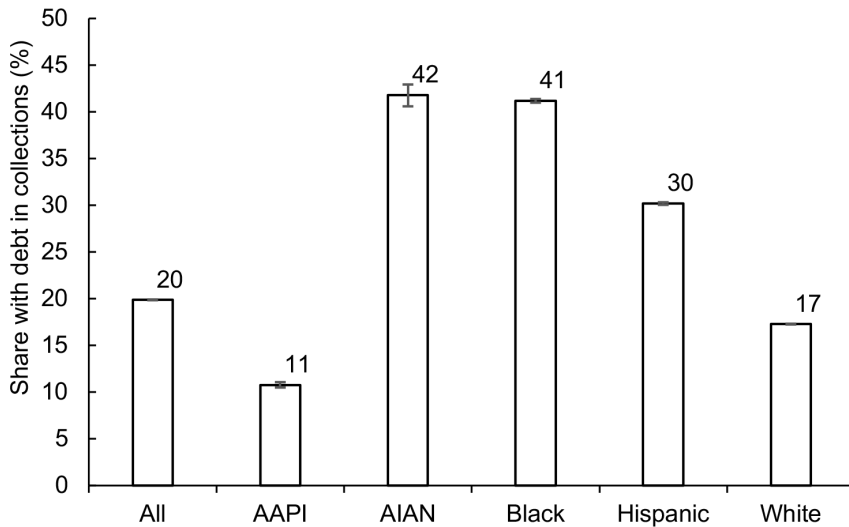
Source: Authors’ calculations using August 2022 credit bureau data and 2017–21 American Community Survey five-year estimates.

Panel A of Figure 2 shows that older adults in majority-AIAN and majority-Black areas also had the highest shares of residents with debt in collections. About 42% of residents in majority-AIAN areas and 41% of residents in majority-Black

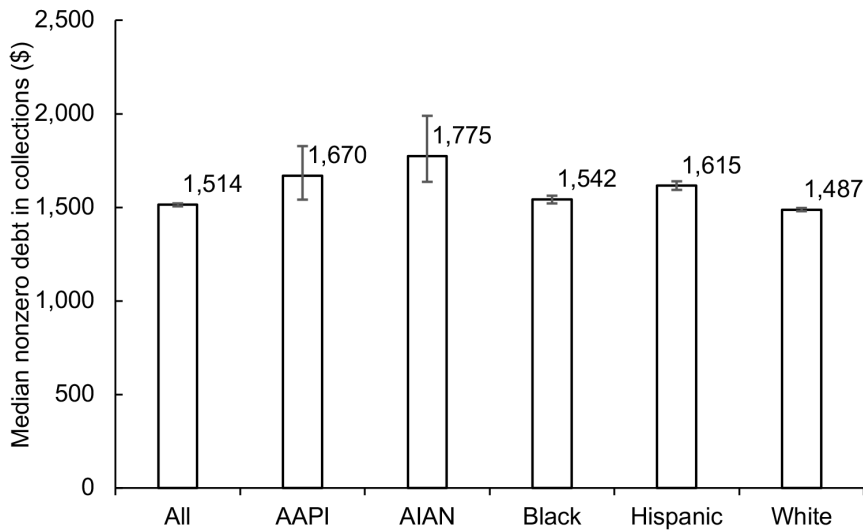
areas had debt in collections, and residents in majority-Hispanic areas also had higher shares of residents with debt in collections (30%) than consumers overall (20%).

FIGURE 2. DEBT IN COLLECTIONS FOR THE FULL SAMPLE AND BY MAJORITY RACIAL/ETHNIC GROUPS

A. Share with debt in collections



B. Median debt in collections for older adults with debt in collections



Note: The “All” estimate reflects 4,083,424 consumers in panel A and 811,703 consumers in panel B. The error bars show 95% percentile bootstrap confidence intervals using 1,000 samples to create a distribution of the shares and medians.

Source: Authors’ calculations using August 2022 credit bureau data and 2017–21 American Community Survey five-year estimates.

We also found that older adults across majority-racial/ethnic areas had similar median delinquent-debt amounts, except for those in majority-AIAN areas, where the median positive delinquent-debt amount was \$2,058 (figure 1, panel B). Though the residents of majority-AAPI areas were least likely to have delinquent debt, the median positive delinquent-debt amount for those with debt was \$1,639, close to the median value for consumers overall. Majority-Black (\$1,642) and majority-Hispanic (\$1,657) areas also had median delinquent-debt amounts higher than the overall median (\$1,575).

People living in majority-AIAN (\$1,775) and majority-AAPI areas (\$1,670) had the highest median amounts of positive debt in collections (Figure 2, Panel B), although the median values of positive debt in collections for majority-AIAN areas versus the overall value was not as large as the difference for median positive delinquent debt. Again, despite having the lowest share of residents with debt in collections, majority-AAPI areas had a relatively high rates of median debt in collections. Residents of majority-Black (\$1,542) and

majority-Hispanic (\$1,615) areas also had higher median positive debt in collections values than the overall median value (\$1,514).

Logit analysis for delinquent debt and OLS regression estimates for positive delinquent debt are displayed in table 3. Columns 1 to 3 in table 3 show that having a subprime credit score, living in a zip code area where the majority of residents are Black, and having household income in the bottom quartile significantly predict the probability of having any type of delinquent debt. Adults over age 66 have a significantly lower probability of having any type of delinquent debt compared with those between ages 50 and 65 who have a mortgage. Specifically, having delinquent debt very likely will cause a consumer to have a subprime credit score. Therefore, it is reasonable to see a high correlation between these two factors. Similarly, having delinquent debt could significantly decrease the chance of getting a mortgage, so one might expect a strong and significantly negative correlation between these two factors.

TABLE 3

	Logit Average Marginal Effects Having Delinquent Debt			OLS Amount of Delinquent Debt if Positive (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
Ages 66+ (base level: 50 – 65)	-0.520*** (0.025)	-0.520*** (0.025)	-0.519*** (0.024)	-715.825*** (80.344)	-715.328*** (81.070)	-750.981*** (85.275)
Subprime credit score	3.796*** (0.024)	3.796*** (0.023)	3.786*** (0.024)	3695.858*** (121.369)	3697.567*** (121.500)	3723.843*** (126.167)
Having mortgage	-0.295*** (0.025)	-0.296*** (0.025)	-0.288*** (0.027)	3763.445*** (337.181)	3757.146*** (337.379)	3803.705*** (344.162)
Living in majority-AAPI zip code	-0.555*** (0.058)	-0.489 (0.321)	-0.136 (0.192)	1584.207** (618.949)	-6242.974** (2433.876)	0.000 (.)
Living in majority-AIAN zip code	0.128 (0.105)	-0.229 (0.332)	-0.898** (0.375)	1273.703** (578.159)	10941.812 (7207.507)	19569.427* (11370.603)
Living in majority-Black zip code	0.373*** (0.045)	0.439** (0.205)	0.529*** (0.161)	1490.901*** (412.052)	-3560.152 (2473.767)	1969.389** (934.317)
Living in majority-Hispanic zip code	0.160 (0.104)	0.407 (0.297)	0.426*** (0.143)	1480.128*** (500.868)	-1283.038 (2440.371)	4750.183*** (1189.930)
Living in majority-white zip code	-0.203*** (0.043)	-0.198 (0.183)	0.000 (.)	1714.582*** (443.090)	-1761.403 (2446.902)	3621.584*** (978.299)
Bottom quantile household income	0.203*** (0.071)	0.237*** (0.081)	0.235*** (0.075)	-915.196* (472.102)	-1113.975 (824.194)	-1101.532 (2483136.872)
Second quantile household income	-0.002 (0.077)	0.019 (0.084)	0.130* (0.076)	-353.144 (505.269)	-939.399 (.)	7009.540*** (649.902)
Third quantile household income	-0.172** (0.075)	-0.151* (0.082)	0.064 (0.076)	251.062 (488.597)	-10724.772 (10941.175)	0.092 (806346.042)
Highest quantile household income	-0.409*** (0.072)	-0.390*** (0.079)	0.036 (0.082)	1895.752*** (574.719)	4331.813*** (571.875)	3297.240*** (585.724)
AAPI X bottom income quantile		-0.493 (0.452)	-0.689*** (0.179)		11828.104*** (955.221)	10977.233 (2214892.165)
AAPI X second income quantile		-0.169 (0.467)	-0.332 (0.205)		9036.837 (.)	0.000 (.)
AAPI X third income quantile		-0.034 (0.433)	-0.128 (0.192)		19067.744* (10933.725)	6818.085 (473338.786)
AAPI X top income quantile		-0.033 (0.461)	-0.124 (0.212)		4915.874*** (1158.228)	3465.692** (1691.191)
AIAN X bottom income quantile		0.410 (0.449)	0.844** (0.373)		-9600.345 (9763.596)	-12456.730 (2410919.066)
AIAN X second income quantile		0.138 (0.465)	0.610* (0.339)		-11027.271 (.)	-22037.256* (11302.780)
AIAN X third income quantile		0.254 (0.546)	0.557 (0.404)		0.000 (.)	-13773.921 (1200935.518)
AIAN X top income quantile		-0.054 (0.498)	0.229 (0.345)		-8311.720 (8459.236)	-10651.243 (10177.728)

TABLE 3 (CONTINUED)

	Logit Average Marginal Effects Having Delinquent Debt			OLS Amount of Delinquent Debt if Positive (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
Black X bottom income quantile		-0.107 (0.144)	-0.066 (0.143)		1984.281** (977.812)	1858.751 (2427037.839)
Black X second income quantile		-0.003 (0.149)	0.051 (0.156)		2697.492 (.)	-5741.666*** (888.020)
Black X third income quantile		-0.054 (0.182)	0.020 (0.175)		14018.998 (10933.850)	2621.858 (.)
Black X top income quantile		0.094 (0.181)	0.057 (0.173)		0.000 (.)	0.000 (.)
Hispanic X bottom income quantile		-0.244 (0.157)	-0.323** (0.135)		0.000 (.)	-226.315 (2392554.775)
Hispanic X second income quantile		-0.261 (0.182)	-0.297** (0.129)		456.565 (1343056.195)	-7912.618*** (1401.347)
Hispanic X third income quantile		-0.233 (0.203)	-0.241* (0.126)		10608.131 (10916.963)	-802.573 (689350.562)
Hispanic X top income quantile		-0.241 (0.230)	-0.308** (0.133)		-3235.384*** (973.993)	-3141.746*** (1074.394)
White X bottom income quantile		0.000 (.)	0.000 (.)		247.586 (756.275)	401.123 (1836748.730)
White X second income quantile		0.000 (.)	0.000 (.)		513.108 (.)	-7518.356*** (925.179)
White X third income quantile		0.000 (.)	0.000 (.)		10897.192 (10951.607)	-268.095 (1193910.647)
White X top income quantile		0.000 (.)	0.000 (.)		-2441.477*** (713.200)	-2790.571*** (759.115)
Zip code share of uninsured people			2.643*** (0.562)			-377.648 (1589.089)
Zip code share of people with disability			0.813*** (0.251)			431.094 (1182.596)
Zip code level unemployment rate			1.019*** (0.357)			4098.147** (1935.060)
Zip code share with bachelor's degrees			-0.611*** (0.077)			5956.027*** (788.291)
State fixed effects	x	x	x	x	x	x
N	4,083,424	4,083,424	4,081,473	844,961	844,961	844,494
Mean dependent:	0.207	0.207	0.207	1415.925	1415.925	1415.925
R2	0.38	0.38	0.39	0.01	0.01	0.01

When we combine major racial compositions in a zip code with zip code–level household income, the results are not consistently significant (columns 2 to 3, table 3). When we add more zip code–level covariates, we find that higher shares of uninsured people, higher shares of people with disabilities, and higher unemployment rates all correlate with an increased probability of having delinquent debt. Having a high share of people with a bachelor’s degree reduces the probability.

Among those with positive delinquent debt, columns 4 to 6 of table 3 show that consumers over age 66 with delinquent debt are correlated with \$750 less delinquent debt than those between ages 50 and 65. We estimate consumers with delinquent debt and a subprime credit score are associated with \$3,724 more delinquent debt than those with a prime credit score; and consumers with delinquent debt who have a mortgage are associated with \$3,803 more delinquent debt than those without a mortgage. Among those with positive delinquent debt, consumers who live in zip code areas with household incomes in the highest quartile tend to hold more

than \$3,297 more delinquent debt than others, potentially because wealthier consumers and families have more access to credit, leading to larger amounts of delinquent debt when facing financial constraints. When we break down consumers living in high-income areas by race and ethnicity, we find that consumers with delinquent debt who live in zip code areas where the majority of residents are AAPI and have household incomes in the highest quartile are significantly more likely to hold a large amount of delinquent debt—\$3,466 to \$4,916—compared with others. On the contrary, consumers with delinquent debt living in majority-Hispanic (\$3,142 to \$3,235) or majority-white (\$2,441 to 2,791) and high-income areas tend to hold less delinquent debt than others.

Regression results for debt in collections in table 4 are consistent with those for delinquent debt in table 3, suggesting that most consumers with delinquent debt were significantly less likely to pay back their delinquent debt, and most delinquent debt becomes longer-term debt in collections.

TABLE 4

	Logit Average Marginal Effects Having Debt in Collections			OLS Amount of Debt in Collections (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
Ages 66+ (base level: 50 – 65)	-0.531*** (0.027)	-0.531*** (0.027)	-0.529*** (0.026)	-660.048*** (67.662)	-659.645*** (67.884)	683.875*** (70.746)
Subprime credit score	3.560*** (0.023)	3.559*** (0.023)	3.549*** (0.024)	2663.837*** (126.039)	2666.279*** (125.556)	2685.211*** (126.915)
Having mortgage	-0.372*** (0.024)	-0.373*** (0.024)	-0.365*** (0.027)	1656.598*** (117.895)	1652.504*** (117.372)	1691.023*** (115.884)
Living in majority-AAPI zip code	-0.525*** (0.061)	-0.437 (0.302)	-0.067 (0.177)	1351.466*** (475.750)	-5964.461** (2479.857)	0.000 (.)
Living in majority-AIAN zip code	0.050 (0.107)	-0.208 (0.339)	-0.837** (0.385)	1016.738** (487.736)	11377.041 (7367.326)	20202.152* (11624.781)
Living in majority-Black zip code	0.367*** (0.048)	0.398** (0.193)	0.515*** (0.149)	1171.483*** (372.342)	-3914.738 (2507.866)	1622.964** (721.321)
Living in majority-Hispanic zip code	0.173* (0.105)	0.337 (0.282)	0.375*** (0.135)	-1123.732** (468.861)	-1360.651 (2475.711)	4431.819*** (833.401)
Living in majority-white zip code	-0.174*** (0.044)	-0.223 (0.175)	0.000 (.)	1261.746*** (397.284)	-2123.276 (2490.698)	3342.949*** (740.452)
Bottom quantile of zip code–level household income	0.191*** (0.068)	0.225*** (0.080)	0.221*** (0.076)	-857.518** (408.443)	10619.867*** (624.373)	10074.064*** (876.395)
Second quantile of zip code–level household income	-0.013 (0.074)	0.009 (0.082)	0.116 (0.077)	-372.090 (439.230)	-2591.253 (3768201.074)	7581.874*** (518.402)
Third quantile of zip code–level household income	-0.182** (0.072)	-0.159** (0.081)	0.050 (0.077)	136.598 (420.855)	-11144.879 (11141.476)	1372.500 (.)
Highest quantile of zip code–level household income	-0.420*** (0.068)	-0.399*** (0.077)	0.019 (0.082)	1100.887** (446.366)	3359.061*** (484.438)	0.000 (.)
AAPI X bottom income quantile		-0.569 (0.421)	-0.765*** (0.168)		0.000 (.)	0.000 (.)
AAPI X second income quantile		-0.269 (0.433)	-0.431** (0.186)		10885.647 (3029361.256)	0.000 (.)
AAPI X third income quantile		-0.127 (0.400)	-0.213 (0.185)		19006.103* (11142.800)	5555.741 (456680.343)
AAPI X top income quantile		-0.100 (0.428)	-0.184 (0.204)		3388.611*** (757.013)	5138.408*** (730.986)
AIAN X bottom income quantile		0.236 (0.470)	0.656 (0.404)		-22721.429** (9939.419)	-25361.048** (11785.724)
AIAN X second income quantile		0.053 (0.470)	0.516 (0.351)		-11072.476 (3375999.342)	-24553.784** (12098.539)
AIAN X third income quantile		0.271 (0.527)	0.556 (0.377)		0.000 (.)	-15891.581 (327509.332)

TABLE 4 (CONTINUED)

	Logit Average Marginal Effects Having Debt in Collections			OLS Amount of Debt in Collections (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
AIAN X top income quantile		-0.196 (0.520)	0.078 (0.363)		-9848.061 (8301.933)	-10020.256 (10002.137)
Black X bottom income quantile		-0.122 (0.130)	-0.079 (0.132)		-9688.278*** (786.033)	-9181.174*** (977.925)
Black X second income quantile		-0.021 (0.134)	0.033 (0.145)		4400.207 (2560531.332)	-6098.824*** (673.480)
Black X third income quantile		-0.083 (0.172)	-0.008 (0.167)		13782.259 (11153.608)	840.717 (.)
Black X top income quantile		0.053 (0.174)	0.018 (0.166)		0.000 (.)	2682.420*** (460.415)
Hispanic X bottom income quantile		-0.217 (0.144)	-0.295** (0.127)		11977.826*** (729.714)	-11565.313*** (949.643)
Hispanic X second income quantile		-0.229 (0.166)	-0.264** (0.120)		1719.462 (3953637.446)	-8697.362*** (979.075)
Hispanic X third income quantile		-0.204 (0.186)	-0.208* (0.116)		10725.747 (11122.020)	-2188.434 (1001384.006)
Hispanic X top income quantile		-0.208 (0.212)	-0.269** (0.121)		-3309.907*** (723.264)	-485.766 (631.251)
White X bottom income quantile		0.000 (.)	0.000 (.)		11355.659*** (743.649)	-10699.317*** (1012.451)
White X second income quantile		0.000 (.)	0.000 (.)		2244.026 (3086876.588)	-7987.860*** (692.762)
White X third income quantile		0.000 (.)	0.000 (.)		11301.209 (11144.503)	-1521.107 (.)
White X top income quantile		0.000 (.)	0.000 (.)		-2157.879*** (641.140)	242.214 (394.404)
Zip code–level share of uninsured people			2.691*** (0.560)			1017.112 (1464.951)
Zip code–level share of people with disability			0.776*** (0.251)			444.523 (921.804)
Zip code–level unemployment rate			0.920*** (0.355)			2294.443 (1680.134)
Zip code–level share of bachelor’s degree holders			-0.602*** (0.076)			4360.242*** (609.715)
State fixed effects	x	x	x	x	x	x
N	4,083,424	4,083,424	4,081,473	811,703	811,703	811,256
Mean dependent:	0.199	0.199	0.199	1183.513	1183.513	1183.513
R2	0.37	0.37	0.37	0.01	0.01	0.01

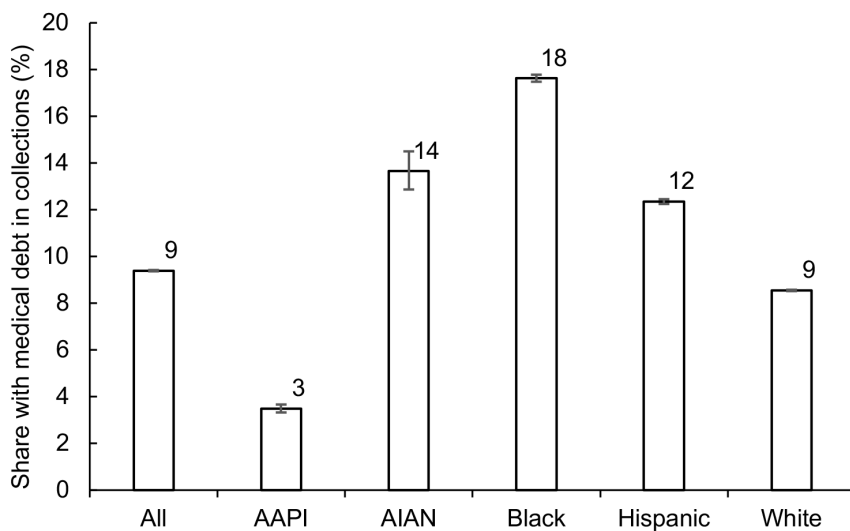
3.2 Medical debt in collections, delinquent student loan debt, and delinquent credit card debt

Figures 3 to 5 reveal overall levels and disparities in medical, student loan, and credit card debt delinquencies. Residents in majority-Black areas had the highest shares of medical

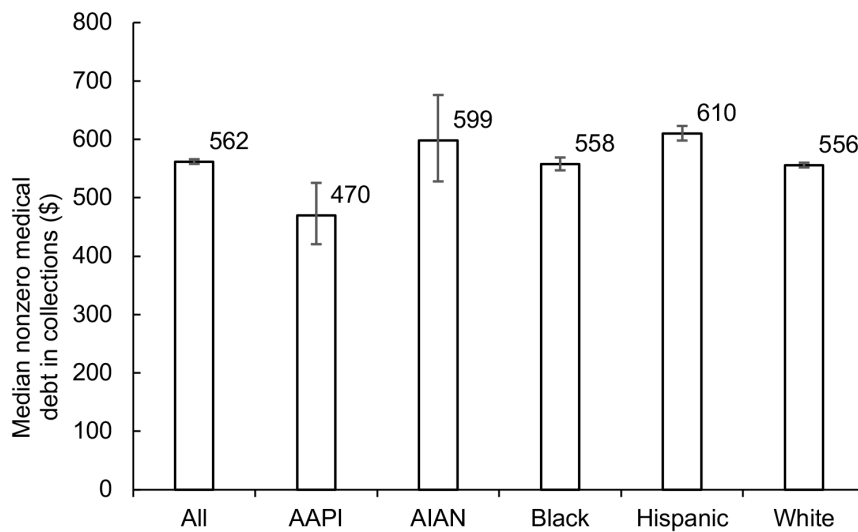
debt in collections (18%), though median amounts of medical debt in collections were relatively close across racial/ethnic groups (figure 3). Majority-AAPI areas had the lowest prevalence and amounts of medical debt in collections (figure 3).

FIGURE 3. MEDICAL DEBT IN COLLECTIONS FOR THE FULL SAMPLE AND BY MAJORITY RACIAL/ETHNIC GROUPS

A. Share with medical debt in collections



B. Median medical debt in collections for older adults with medical debt in collections



Note: The “All” estimate reflects 4,083,424 consumers in panel A and 383,512 consumers in panel B. The error bars show 95% percentile bootstrap confidence intervals using 1,000 samples to create a distribution of the shares and medians.

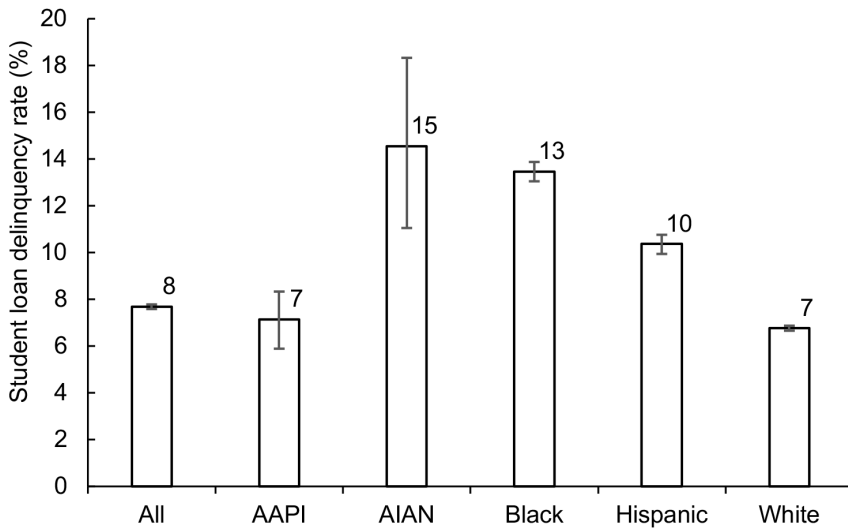
Source: Authors’ calculations using August 2022 credit bureau data and 2017–21 American Community Survey five-year estimates.

About 8% of older adults with student loans were delinquent on student loan debt, and residents of majority-AIAN, majority-Black, and majority-Hispanic areas had the highest student loan debt delinquency rates (15, 13, and 10%, respectively; Figure 4). Consumers in majority-AAPI areas had the highest median amount of delinquent student loan

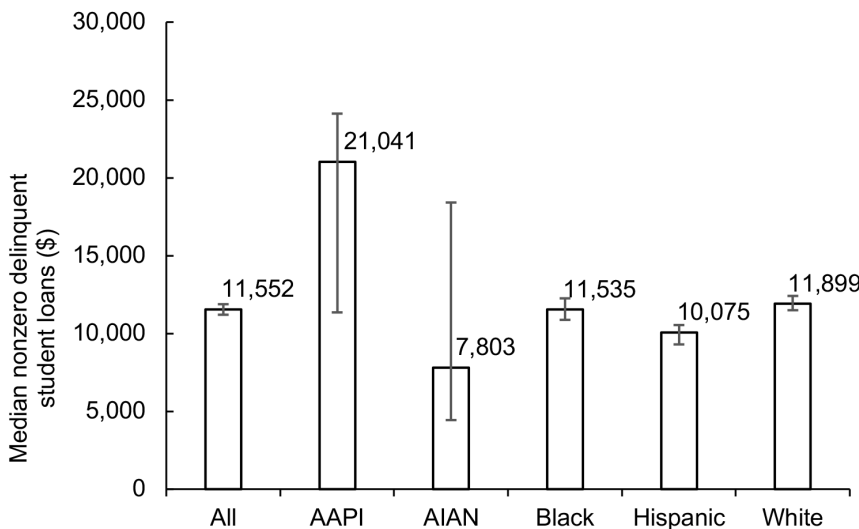
debt (\$21,041), though this estimate is imprecisely measured because of small sample sizes. The high median amounts of delinquent debt and debt in collections for residents in majority-AAPI areas are largely driven by student loan debt (figure 4).

FIGURE 4. DELINQUENT STUDENT LOAN DEBT FOR THE FULL SAMPLE AND BY MAJORITY RACIAL/ETHNIC GROUPS

A. Share with delinquent student loan debt for older adults with student loan debt



B. Median delinquent student loan debt for older adults with delinquent student loan debt



Note: The “All” estimate reflects 262,422 consumers in panel A and 20,172 consumers in panel B. We consider student loan debt in any status (open, deferred, delinquent, or in collections). The error bars show 95% percentile bootstrap confidence intervals using 1,000 samples to create a distribution of the shares and medians.

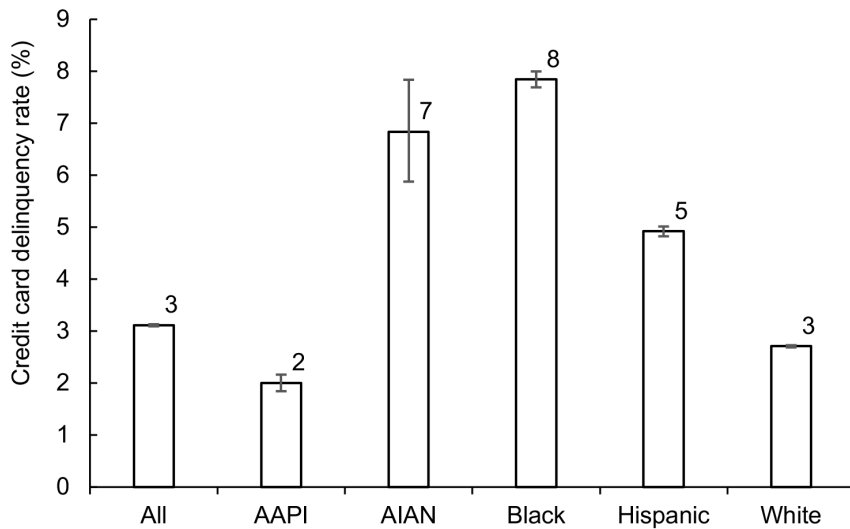
Source: Authors’ calculations using August 2022 credit bureau data and 2017–21 American Community Survey five-year estimates.

Both majority-AIAN (7%) and majority-Black areas (8%) had the highest credit card delinquency rates among older adults with open or delinquent credit card debt (figure 5). The

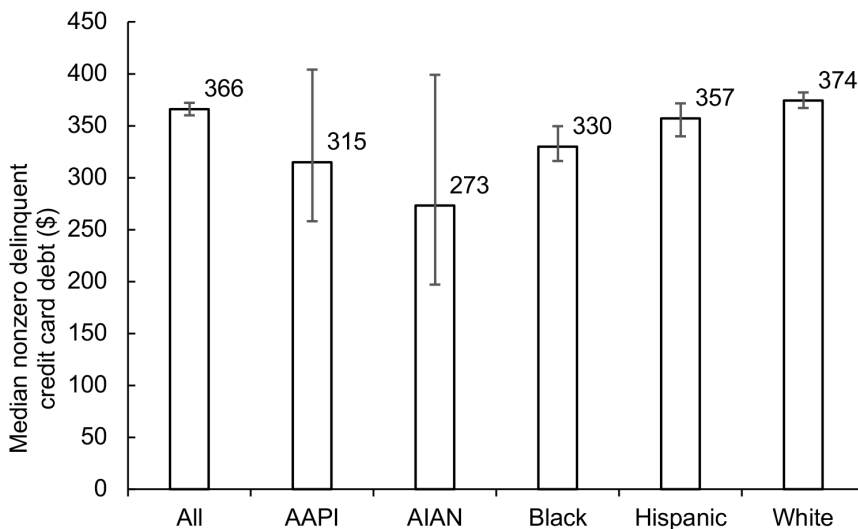
median delinquent credit card debt amounts were similar by racial/ethnic groups, again with imprecision because of small sample sizes (figure 5).

FIGURE 5. DELINQUENT CREDIT CARD DEBT FOR THE FULL SAMPLE AND BY MAJORITY RACIAL/ETHNIC GROUPS

A. Share with delinquent credit card debt for older adults with open or delinquent credit card debt



B. Median delinquent credit card debt for older adults with delinquent credit card debt



Note: The “All” estimate reflects 2,731,735 consumers in panel A and 85,057 consumers in panel B. The error bars show 95% percentile bootstrap confidence intervals using 1,000 samples to create a distribution of the shares and medians.

Source: Authors’ calculations using August 2022 credit bureau data and 2017–21 American Community Survey five-year estimates.

Regression estimates for medical debt are provided in table 5. Columns 1 to 3 in table 5 indicate that adults over age 66 and those with a mortgage are less likely to have medical debt in collections by 55% and 25%, respectively. Overdue medical debts can be observed only when they're reported to collection agencies, so no delinquent medical debts are recorded by the credit bureau agencies. Additionally, subprime credit scores and the share of uninsured people within the zip code area where a consumer lives continue to strongly predict whether a given consumer has medical debt in collections (column 3, table 5). When we look into

race and ethnicity, people living in zip code areas with the lowest household incomes and in majority-AAPI, majority-Black or majority-Hispanic zip code areas are less likely to have medical debt in collections than those living in higher-income zip code areas, potentially because people with lower incomes are covered by Medicaid or they go to the hospital less frequently than people with higher incomes. Similarly, if a consumer lives in a zip code area with high unemployment rates, it reduces the probability of having medical debt in collections by 92%, potentially because of Medicaid and other safety net programs (column 3, table 5).

TABLE 5

	Logit Average Marginal Effects Having Medical Debt in Collections			OLS Amt of Medical Debt in Collections (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
Ages 66+ (base level: 50 – 65)	-0.547*** (0.051)	-0.547*** (0.051)	-0.545*** (0.051)	-675.478*** (53.799)	-675.177*** (53.580)	-661.796*** (55.478)
Subprime credit score	2.450*** (0.043)	2.450*** (0.043)	2.432*** (0.045)	854.418*** (55.966)	853.967*** (55.872)	852.060*** (57.003)
Having mortgage	-0.255*** (0.019)	-0.255*** (0.019)	-0.249*** (0.019)	-330.070*** (37.594)	-329.066*** (37.280)	-315.606*** (38.298)
Living in majority-AAPI zip code	-0.412*** (0.120)	-0.536 (0.428)	-0.638** (0.261)	333.544 (434.019)	-248.971 (534.077)	0.000 (.)
Living in majority-AIAN zip code	-0.259 (0.200)	-0.314 (0.304)	-1.229*** (0.337)	-184.124 (244.950)	-800.401** (382.786)	-674.620 (943.144)
Living in majority-Black zip code	0.291*** (0.077)	0.398* (0.210)	0.299 (0.219)	-377.276** (168.031)	-98.206 (358.302)	433.722 (387.042)
Living in majority-Hispanic zip code	0.194 (0.124)	0.335 (0.218)	-0.033 (0.167)	-150.766 (221.465)	988.992 (659.670)	1765.943 (1083.343)
Living in majority-white zip code	0.297*** (0.069)	0.068 (0.183)	0.000 (.)	-128.435 (144.141)	-429.322 (324.072)	541.258** (203.468)
Bottom quantile of zip code–level household income	0.045 (0.070)	0.149* (0.077)	0.147* (0.079)	-17.323 (134.531)	372.791 (443.805)	-202.702 (138.684)
Second quantile of zip code–level household income	-0.055 (0.068)	0.005 (0.081)	0.087 (0.083)	105.127 (137.327)	-1048.356* (622.233)	-503.506*** (148.588)
Third quantile of zip code–level household income	-0.224*** (0.065)	-0.158** (0.078)	0.015 (0.083)	10.839 (148.496)	603.437* (357.317)	218.445 (145.058)
Highest quantile of zip code–level household income	-0.468*** (0.072)	-0.407*** (0.081)	-0.018 (0.084)	-97.509 (160.865)	-675.536* (339.184)	-227.651 (350.443)
AAPI X bottom income quantile		-0.562 (0.580)	-0.606** (0.280)		-1053.764 (765.849)	0.000 (.)

TABLE 5 (CONTINUED)

	Logit Average Marginal Effects Having Medical Debt in Collections			OLS Amt of Medical Debt in Collections (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
AAPI X second income quantile		-0.550 (0.562)	-0.568** (0.261)		0.000 (.)	0.000 (.)
AAPI X third income quantile		-0.152 (0.464)	-0.025 (0.212)		0.000 (.)	1154.440*** (332.963)
AAPI X top income quantile		-0.025 (0.532)	0.084 (0.258)		1183.202 (1116.323)	1530.191* (850.194)
AIAN X bottom income quantile		-0.190 (0.438)	0.311 (0.449)		0.000 (.)	1137.815 (1024.329)
AIAN X second income quantile		-0.356 (0.462)	0.207 (0.392)		1608.394 (1000.475)	1639.497 (1095.320)
AIAN X third income quantile		0.001 (0.532)	0.314 (0.454)		5950.121 (3551.044)	6815.011* (3668.192)
AIAN X top income quantile		-0.451 (0.412)	-0.109 (0.346)		650.369 (463.420)	787.583 (1070.867)
Black X bottom income quantile		-0.392** (0.154)	-0.349* (0.192)		-750.458 (580.006)	226.572 (383.377)
Black X second income quantile		-0.227 (0.164)	-0.199 (0.205)		947.083 (700.840)	763.788* (434.570)
Black X third income quantile		-0.450* (0.258)	-0.402 (0.284)		-1233.602** (474.609)	-411.255 (335.612)
Black X top income quantile		-0.197 (0.232)	-0.277 (0.266)		0.000 (.)	0.000 (.)
Hispanic X bottom income quantile		-0.472*** (0.135)	-0.445*** (0.135)		-1680.510* (980.549)	-1260.991 (1044.348)
Hispanic X second income quantile		-0.353** (0.176)	-0.275 (0.179)		-68.186 (1025.878)	-699.069 (989.200)
Hispanic X third income quantile		-0.313** (0.127)	-0.197 (0.170)		-1835.673* (925.408)	-1435.376 (1010.511)
Hispanic X top income quantile		-0.256* (0.135)	-0.210 (0.189)		-286.711 (791.395)	-607.879 (986.754)
White X bottom income quantile		0.000 (.)	0.000 (.)		-143.615 (469.624)	374.779* (193.984)
White X second income quantile		0.000 (.)	0.000 (.)		1358.518** (631.176)	769.656*** (205.504)
White X third income quantile		0.000 (.)	0.000 (.)		-358.454 (384.298)	0.000 (.)
White X top income quantile		0.000 (.)	0.000 (.)		783.861** (368.045)	358.701 (370.260)

TABLE 5 (CONTINUED)

	Logit Average Marginal Effects Having Medical Debt in Collections			OLS Amt of Medical Debt in Collections (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
Zip code-level share of uninsured people			2.761*** (0.497)			3059.160*** (892.552)
Zip code-level share of people with disability			0.487 (0.383)			24.315 (551.442)
Zip code-level unemployment rate			-0.921* (0.473)			-1360.535 (880.674)
Zip code-level share of bachelor’s degree holders			-0.753*** (0.094)			178.535 (196.053)
State fixed effects	x	x	x	x	x	x
N	4,083,424	4,083,424	4,081,473	383,512	383,512	383,302
Mean dependent:	0.094	0.094	0.094	170.653	170.653	170.653
R2	0.22	0.22	0.22	0.01	0.01	0.01

Among people with positive medical debt in collections, older adults over age 66 on average have about \$662 more medical debt in collections than those between ages 50 and 65, \$852 more medical debt in collections for consumers with subprime credit score than consumers with prime scores, and \$315 more for mortgage holders compared with those without a mortgage (column 6, table 5). The oldest older adults possibly have more severe medical conditions and are treated with more expensive medical procedures, which may explain their high levels of medical debt in collections when they face financial constraints. When people have other financial needs, such as paying down mortgages, they can fall short on paying off their medical bills, which leads to higher medical debt in collections for some mortgage holders compared with those without a mortgage. Additionally, people living in zip code areas with high shares of uninsured people, neither covered by private nor public insurance, tend to accumulate a significantly high level of medical debt. When we break our sample down by race and ethnicity, the consistent result we see is that people living in lower-income and majority-white areas have on average \$374 (lowest income quartile) to \$770 (second-lowest income quartile)

more in medical debt in collections than the rest of the population, suggesting debt and poverty problems across all racial and ethnic groups.

Regression estimates for delinquent student loan debt and delinquent credit card debt are shown in tables 6 and 7, respectively. Delinquent student loan debt and delinquent credit card debt are the only two categories of debt that the older adults over age 66 are more likely to carry compared with the younger older adults between ages 50 and 65 (tables 6 and 7). Consistent with previous results, having a subprime credit score is strongly associated with a high probability of having either delinquent student loan debt or credit card debt. Having a mortgage reduces the probability of having delinquent student loan or credit card debt. Additionally, people living in majority-AAPI zip code areas have a significantly high chance of being delinquent on credit card debt across all income streams (column 3, table 7).

TABLE 6

	Logit Marginal Effects Having Delinquent Student Loan Debt			OLS Amt of Delinquent Student Loan Debt (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
Ages 66+ (base level: 50 – 65)	0.292*** (0.026)	0.292*** (0.026)	0.292*** (0.026)	-906.137 (908.589)	-909.913 (914.369)	-1052.224 (911.246)
Subprime credit score	2.486*** (0.034)	2.486*** (0.034)	2.485*** (0.034)	-5646.287*** (825.812)	-5641.717*** (831.988)	-5574.065*** (819.802)
Having mortgage	-0.596*** (0.023)	-0.596*** (0.023)	-0.598*** (0.023)	-777.225 (1124.615)	-778.186 (1127.906)	-584.498 (1131.498)
Living in majority communities of color zip code	0.109*** (0.033)	-0.159 (0.253)	0.036 (0.274)	-527.437 (917.155)	-15795.244* (8970.775)	-12535.429 (10917.361)
Bottom quantile of zip code–level household income	0.057 (0.154)	-0.013 (0.156)	-0.043 (0.157)	-10680.840* (5695.235)	0.000 (.)	-697.596 (8188.912)
Second quantile of zip code–level household income	0.011 (0.157)	-0.080 (0.160)	-0.069 (0.164)	-9215.051 (5663.356)	233.821 (5273.902)	-13325.829* (7586.779)
Third quantile of zip code–level household income	-0.060 (0.157)	-0.138 (0.162)	-0.094 (0.166)	-7872.566 (5687.774)	4008.303 (5356.396)	-14034.207* (7611.549)
Highest quantile of zip code–level household income	-0.207 (0.155)	-0.296* (0.160)	-0.202 (0.167)	-5405.679 (5705.407)	3695.180 (6046.286)	-1578.931 (9465.249)
Majority of color X bottom income quantile		0.243 (0.259)	0.019 (0.272)		634.921 (5695.864)	0.000 (.)
Majority of color X second income quantile		0.297 (0.275)	0.105 (0.282)		0.000 (.)	11043.672 (10693.673)
Majority of color X third income quantile		0.241 (0.270)	0.037 (0.279)		0.000 (.)	14865.177 (10890.151)
Majority of color X top income quantile		0.335 (0.259)	0.106 (0.276)		0.000 (.)	0.000 (.)
White X bottom income quantile		0.000 (.)	0.000 (.)		-15881.860** (7429.993)	-14132.947 (11003.933)
White X second income quantile		0.000 (.)	0.000 (.)		-13475.128 (8967.861)	0.000 (.)
White X third income quantile		0.000 (.)	0.000 (.)		-16677.306* (8973.650)	0.000 (.)
White X top income quantile		0.000 (.)	0.000 (.)		-13441.887 (9533.341)	-12647.285 (11768.287)

TABLE 6 (CONTINUED)

	Logit Marginal Effects Having Delinquent Student Loan Debt			OLS Amt of Delinquent Student Loan Debt (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
Zip code-level share of uninsured people			-0.328			-5514.819
			(0.214)			(7771.517)
Zip code-level share of people with disability			0.573**			3800.160
			(0.246)			(8417.889)
Zip code-level unemployment rate			1.255***			-4212.827
			(0.322)			(14473.254)
Zip code-level share of bachelor's degree holders			-0.205***			19463.083***
			(0.061)			(3700.506)
State fixed effects	x	x	x	x	x	x
N	262,422	262,422	262,332	20,172	20,172	20,166
Mean dependent:	0.077	0.077	0.077	2135.461	2135.461	2135.461
R2	0.22	0.22	0.22	0.01	0.01	0.01

TABLE 7

	Logit Marginal Effects Having Delinquent Credit Card Debt			OLS Amt of Delinquent Credit Card Debt (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
Ages 66+ (base level: 50 – 65)	0.248*** (0.011)	0.248*** (0.011)	0.248*** (0.011)	708.463*** (35.625)	708.155*** (35.952)	691.496*** (37.502)
Subprime credit score	4.493*** (0.038)	4.493*** (0.038)	4.491*** (0.038)	1909.765*** (79.237)	1913.200*** (79.851)	1944.705*** (84.495)
Having mortgage	-0.153*** (0.011)	-0.153*** (0.011)	-0.153*** (0.010)	1005.236*** (46.867)	1006.130*** (47.026)	1030.626*** (46.954)
Living in majority-AAPI zip code	0.030 (0.068)	-10.506*** (1.661)	-13.807*** (0.801)	788.167* (465.674)	738.568 (762.633)	4176.003 (2630.158)
Living in majority-AIAN zip code	-0.101 (0.092)	3.219*** (0.894)	-0.089 (0.220)	-481.317* (248.468)	-469.608 (670.238)	0.000 (.)
Living in majority-Black zip code	0.071 (0.076)	3.765*** (0.387)	0.403 (0.304)	-446.221** (170.541)	-1656.125** (687.851)	-537.754 (1126.412)
Living in majority-Hispanic zip code	0.031 (0.071)	3.615*** (0.403)	0.263 (0.222)	35.162 (165.213)	1398.451 (1753.249)	2635.118 (2665.799)
Living in majority-white zip code	0.003 (0.073)	3.291*** (0.427)	0.000 (.)	110.545 (174.501)	-339.567 (731.103)	726.566 (1195.148)
Bottom quantile of zip code–level household income	0.042 (0.070)	0.114 (0.090)	0.117 (0.091)	-97.480 (326.883)	-393.377 (923.969)	3961.291* (2186.312)
Second quantile of zip code–level household income	-0.012 (0.071)	0.049 (0.087)	0.069 (0.087)	18.103 (308.925)	662.877 (930.494)	-1723.453 (2190.350)
Third quantile of zip code–level household income	-0.065 (0.074)	-0.001 (0.089)	0.031 (0.088)	265.603 (317.249)	54.819 (1594.402)	508.392 (1742.870)
Highest quantile of zip code–level household income	-0.148* (0.076)	-0.086 (0.093)	-0.037 (0.092)	690.600** (315.429)	-480.967 (925.531)	1085.249*** (191.887)
AAPI X bottom income quantile		13.827 (.)	13.870*** (0.789)		6671.463*** (578.577)	0.000 (.)
AAPI X second income quantile		14.419*** (2.946)	14.460*** (0.787)		0.000 (.)	0.000 (.)
AAPI X third income quantile		13.734*** (1.793)	13.738*** (0.793)		1323.748 (1844.954)	-1621.770 (3062.411)
AAPI X top income quantile		13.833 (.)	13.842*** (0.798)		0.000 (.)	-4376.838* (2203.055)
AIAN X bottom income quantile		-0.094 (0.302)	-0.101 (0.258)		0.000 (.)	-3743.126 (2691.068)
AIAN X second income quantile		0.149 (0.288)	0.132 (0.221)		-1178.777*** (379.108)	1758.509 (2551.111)
AIAN X third income quantile		0.206 (0.432)	0.202 (0.368)		0.000 (.)	0.000 (.)

TABLE 7 (CONTINUED)

	Logit Marginal Effects Having Delinquent Credit Card Debt			OLS Amt of Delinquent Credit Card Debt (\$)		
	(1)	(2)	(3)	(4)	(5)	(6)
AIAN X top income quantile		0.379 (0.355)	0.363 (0.295)		0.000 (.)	-993.740 (1312.880)
Black X bottom income quantile		-0.415 (0.298)	-0.368 (0.301)		1177.283 (925.972)	-3253.957 (2192.769)
Black X second income quantile		-0.401 (0.298)	-0.336 (0.301)		364.882 (958.494)	2596.089 (2198.368)
Black X third income quantile		-0.408 (0.302)	-0.350 (0.303)		952.208 (1580.135)	332.894 (1731.842)
Black X top income quantile		-0.409 (0.312)	-0.358 (0.315)		1831.320* (974.363)	0.000 (.)
Hispanic X bottom income quantile		-0.324 (0.224)	-0.256 (0.240)		-1445.332 (2462.264)	-5911.389*** (74.973)
Hispanic X second income quantile		-0.288 (0.210)	-0.223 (0.227)		-2265.360 (2429.978)	0.000 (.)
Hispanic X third income quantile		-0.290 (0.199)	-0.230 (0.214)		-1471.456 (2796.886)	-2087.631 (3021.722)
Hispanic X top income quantile		-0.264 (0.202)	-0.214 (0.217)		-665.561 (2485.655)	-2442.451 (2239.056)
White X bottom income quantile		0.000 (.)	0.000 (.)		405.130 (1016.466)	-3954.785* (2233.004)
White X second income quantile		0.000 (.)	0.000 (.)		-562.820 (990.277)	1787.499 (2239.110)
White X third income quantile		0.000 (.)	0.000 (.)		321.194 (1641.721)	-251.892 (1793.874)
White X top income quantile		0.000 (.)	0.000 (.)		1317.106 (995.985)	-631.714 (383.294)
Zip code–level share of uninsured people			-0.156 (0.141)			1124.886 (730.552)
Zip code–level share of people with disability			0.176 (0.135)			1613.962** (640.583)
Zip code–level unemployment rate			0.643*** (0.187)			1078.672 (1060.640)
Zip code–level share of bachelor’s degree holders			-0.075 (0.048)			2201.255*** (404.403)
State fixed effects	x	x	x	x	x	x
N	2,731,735	2,731,735	2,730,656	85,057	85,057	85,024
Mean dependent:	0.031	0.031	0.031	61.679	61.679	61.679
R2	0.41	0.41	0.41	0.02	0.02	0.02

4. Conclusion

This paper concludes that about 21% of adults age 50 or older with a credit bureau record in our sample had delinquent debt, about 20% had debt in collections, 9% had medical debt in collections, 8% had delinquent student loan debt, and 3% had delinquent credit card debt. Our results therefore provide new evidence to evaluate financial security at older ages, because about one in five adults age 50 or older faced some level of difficulty paying down their debt. As interest rates rise, this could imply that a significant fraction of older Americans may not be able to cover their debt in retirement.

Older adults ages 50 to 61 had higher rates of delinquent debt and debt in collections than those age 62 or older. Residents in majority-AIAN areas consistently had the highest prevalence and the highest median levels of delinquent debt and debt in collections, while residents in

majority-Black and majority-Hispanic areas also had higher prevalence and amounts of debt than residents in majority-white areas. Although people in majority-AAPI areas had low rates of delinquent debt and debt in collections, the median amounts of debt were high for those who held either type of debt. When we further break down consumers by income and race and ethnicity, we find that consumers with delinquent debt living in zip code areas where the majority of residents are AAPI and have the highest quartile of household income tend to hold a large amount of delinquent debt—\$3,466 to \$4,916—compared with others. Consumers with delinquent debt living in majority-Hispanic (\$3,142 to \$3,235) or majority-white (\$2,441 to 2,791) and high-income areas tend to hold less delinquent debt than others. If the goal is to reduce debt delinquency and improve financial stability in retirement, policymakers and researchers may wish to explore policies to encourage savings and manage debt among older adults.

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