Summary

Average consumer debt in Kansas increased significantly to $15,600 in the first quarter, continuing a steady rise since the second quarter of 2011 (Chart 1). Indeed, average consumer debt rose 6.6 percent over that period, following several quarters of consistent decline. Revolving debt fell modestly to $4,580, implying that installment debt, which is made up largely of auto and student loans, increased substantially—consistent with national trends. Average consumer debt in Kansas remained below national and District averages (Chart 2). Consumer delinquencies were below national rates in all categories except student loans (Chart 3), but the Kansas student loan delinquency rate dropped sharply from 10.2 percent to 9.7 percent in the first quarter. Seriously delinquent mortgage loans matched District rates, though were lower than U.S. rates (Chart 4). Topeka continued to significantly exceed the District rate. Serious mortgage delinquencies varied significantly across the state, with especially high rates in the southeast (Map).

In This Issue: A Dynamic Look at Student Loan Debt and Delinquencies

As in virtually all other states, average student loan debt has been increasing steadily in Kansas, but recently has grown at a modestly faster pace than the nation (Chart 5). Median debt has closely followed U.S. trends. In the first quarter, half of Kansans with student loan debt had debt less than $14,260, while half had more. The steady increase in per-borrower debt is explained in the District report. The pattern of student loan delinquency rates has matched the national pattern since the recession began in late 2007 and delinquency rates have declined consistently during the moderate recovery (Chart 6).
Chart 3: Average Consumer Delinquency Rates

Four-quarter moving average

Notes: At least 30 days past due. “Any Account” includes accounts not otherwise reported in the chart, such as first mortgages. Estimates of households are updated in the second quarter.

Chart 4: Mortgage Delinquencies

Share of mortgages outstanding

Source: Lender Processing Services Inc.
Notes: “Past due” represents mortgages that are 30 days or more delinquent, including those in foreclosure. “Serious delinquencies” represent mortgages that are 90 days or more past due or in some stage of the foreclosure process.
Map: Serious Delinquency Rates by Country

Legend
- <1%
- 1%-2%
- 2%-4%
- 4%-6%
- 6%-8%
- >8%
- Insufficient Data

Source: Lender Processing Services Inc.
Note: Serious delinquencies represent mortgages that are 90 or more days past due or in some stage of the foreclosure process.

Chart 5: Inflation-Adjusted Average Outstanding Student Loan Debt per Consumer Holding Student Loan Debt

Source: Author’s calculations using data from The Federal Reserve Bank of New York Consumer Credit Panel/Equifax.
Chart 6: Share of Outstanding Student Loans 30 or More Days Past Due (including those in forbearance and deferrment)

Source: Author’s calculations using data from The Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Note: Excludes loans classified as “severe derogatory,” which have had balances charged-off.

The Consumer Credit Report series is published quarterly by the Federal Reserve Bank of Kansas City to provide a summary of consumer credit in each state of the Tenth District, which comprises Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. For questions or comments, contact Kelly Edmiston, senior economist, at kelly.edmiston@kc.frb.org.