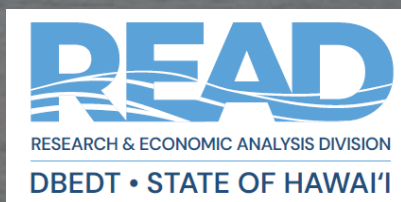




Hawai'i Consumer Debt Report: 2003-2023



April 2024

Department of Business, Economic Development & Tourism
Research and Economic Analysis Division

Acknowledgment

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1 EXECUTIVE SUMMARY

This report analyzes consumer debt in Hawai'i and the U.S. from 2003 to 2023. The study of consumer debt provides a view of how consumers spend their money and repay debts, indicating the health and growth of the economy.

Consumer debt for Hawai'i and the nation followed similar trends over time:

- Total debt balance rapidly increased from 2003 up to the Great Recession in 2008; total debt average annual growth rate (AAGR) for Hawai'i was 11.8% and 9.4% for the nation.
- Total debt balance between 2009-2012 decreased with the Great Recession; total debt AAGR for Hawai'i's was -1.2% and -1.7% for the nation.
- Total debt balance increased from 2013 through 2019; total debt AAGR for Hawai'i was 3.3% and 3.4% for the nation.
- Total debt balance growth slowed in 2020 as the pandemic slowed economic activity; total debt growth for Hawai'i was 0.9% and 2.7% for the nation, respectively, as compared to 2019.
- Total debt balance increased in 2021 and accelerated in 2022 due to higher prices.¹ In 2022, total debt growth for Hawai'i was 7.3% and 8.9% for the nation, respectively, as compared to 2021.
- Total debt balance increased very little in 2023 over the previous year; total debt growth for Hawai'i was 0.9% and 2.5% for the nation, respectively, as compared to 2022. This was partially due to increases in the federal funds rate which impacted interest rates. Regardless, both Hawai'i and the U.S. balances were at historic highs.

There are key differences between Hawai'i and the nation:

- Hawai'i's total debt per capita was greater than the national average over the 2003-2023 period. The main contributing factor was Hawai'i's high mortgage balance. Mortgage debt in Hawai'i made up 76.8% of the total debt per capita in 2023, 6.5 percentage points higher than the U.S. at 70.3%.
- There was a widening gap between Hawai'i and the nation's total debt per capita over the 2003-2023 period, from \$7,270 in 2003 to \$22,170 in 2023.

¹ Andrew Haughwout et al., "Historically Low Delinquency Rates Coming to an End", Liberty Street Economics (2022), libertystreeteconomics.newyorkfed.org/2022/08/historically-low-delinquency-rates-coming-to-an-end/

- There was a widening gap between Hawai'i and the nation's percentage of total debt to personal income per capita over the 2003-2023 period, from a 14.0 percentage point gap in 2003 to a 26.6 percentage point gap in 2023.

Hawai'i ranked the 4th highest in terms of per capita debt among the 50 states and Washington D.C. in 2023.

Hawai'i's best ranking over the 2003-2023 period was in 2003 when it ranked the 8th highest.

INTRODUCTION

For Hawai'i and the nation, consumer debt increased from 2003 to 2023. The rising consumer debt has two implications. On the one hand, it can mean consumers have positive future expectations, are investing in wealth-building assets like education and homes and are maintaining good credit to qualify for new loans.² On the other hand, higher debt levels can be a sign of financial burden, particularly for families relying on debt to pay for necessities. Ultimately, the overall context of the economy must be considered to understand whether increased credit helps or harms consumers.

In 2021, the debt balances of both Hawai'i and the nation's rose despite strong economic headwinds with rising inflation, supply shortages, and lockdowns.³ Although debt increased, consumers managed their debts well. In Hawai'i and the U.S., delinquency rates (see Appendix for full delinquency rate tables) declined for the four credit categories from 2020 to 2021, and most declined below Covid-19 pre-pandemic levels (except for credit cards). Wage increases and pandemic federal assistance helped consumers manage their debts. From 2020 to 2021, wages increased in the nation and Hawai'i.^{4,5} In addition, there were remaining pandemic benefits such as expanded unemployment insurance and forbearance on mortgage and student loan balances.⁶

However, in 2023, as the debt balance continued to grow, delinquencies started to rise in all categories, except for a negligible delinquency decline in student loans for the nation but not Hawai'i. Hawai'i's 2023 debt balance reached a historic high of \$95.2 billion, which accounted for 0.6% of the total nation's debt of \$17.3 trillion. In 2023, Hawai'i had a total debt per capita of \$82,860—0.3% greater than the previous year and 36.5% higher than the national average of \$60,690.

Hawai'i auto loan debt increased gradually, reaching a historic high of \$4.8 billion in 2023. Additionally, Hawai'i auto debt delinquencies nearly doubled to 5.24% in 2023 from 2.88% in 2022.

In 2023, after a decade of mortgage debt growth, mortgage debt reached \$12.1 trillion nationally and \$73.1 billion in Hawai'i.

² Boshara, Ray. (2017, December 19). *Is Record High Consumer Debt a Boon or Bane?* Stlouisfed.org; Federal Reserve Bank of St. Louis. <https://www.stlouisfed.org/on-the-economy/2017/december/consumer-debt-boon-bane>

³ Hawai'i Department of Business, Economic Development, & Tourism (DBEDT). 2022. *Hawaii Consumer Debt Report: 2001-2021*. State of Hawai'i. October.

⁴ U.S. Bureau of Economic Analysis. *SASUMMARY State annual summary statistics: personal income, GDP, consumer spending, price indexes, and employment* (accessed Wednesday, March 27, 2024).

⁵ Economic Data Warehouse. Department of Business: Economic Development and Tourism Research & Economic Analysis (2024), <https://dbedt.hawaii.gov/economic/datawarehouse/>

⁶ CARES Act Recovery Assistance. (n.d.). U.S. Economic Development Administration. Retrieved March 20, 2024, from <https://www.eda.gov/taxonomy/term/266270>.

In 2023, student debt increased to a historic high of \$4.7 billion in Hawai'i and \$1.6 trillion nationally. However, delinquencies were at or near a two-decade low due to debt forbearance and forgiveness.

Credit card balance was the debt category affected most by the Covid-19 pandemic, decreasing by 13.8% in Hawai'i and by 11.6% in the nation in 2020 over the previous year. However, the balance recovered by 2022 and increased further in 2023 by 12.7% in Hawai'i and 14.3% nationally.

Other debt was utilized more over time in Hawai'i than the nation. In 2023 it represented the state's 2nd largest form of consumer debt, at \$7.1 billion, whereas it was the nation's smallest component of consumer debt at \$800 billion.

This report explains each debt category in more detail.

Data Source and Terminology

The debt and delinquency data are based on the New York Fed Consumer Credit Panel and Equifax credit report data. The data is based on a 5 percent random sample drawn from a population of consumers, ages 18 years and older with at least one credit file with Equifax. Total consumer debt covers all loan accounts including personal loans. It does not include accounts in bankruptcy and “excludes authorized user trades, disputed trades, lost/stolen trades, medical trades, child/family support trades, commercial trades, and inactive trades (accounts not reported on within the last 3 months).”⁷

The report observes and compares the consumer debt trends in Hawai'i and the U.S. using The New York Fed Consumer Credit Panel (Equifax) data from the fourth quarter of each year.⁸ For this report, the data period is 2003 to 2023 and focuses on four main debt categories: auto loans, mortgages, student loans, credit card loans, and “Other” debt.

Below are the definitions of frequently referenced terminology in the report. See the Appendix for data tables.

- **Population** is the number of consumers eighteen years and older in the New York Fed Consumer Credit Panel with at least one credit line; not the census population. Equifax uses this value in calculations, thus any population reference in this report can be New York Fed Consumer Credit Panel or Equifax.
- **Consumer** is an individual or individuals in the population.
- **Debt per capita** (in dollars) is the debt balance per New York Fed Consumer Credit Panel population. Equifax population.

⁷ *Quarterly Report on Household Debt and Credit 2023: Q4*. Federal Reserve Bank of New York. Research and Statistics Group (2024), 42, newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/hhdc_2023q4.pdf.

⁸ The U.S. (also referred to as “national”) is the average of the debt balance of the 50 states, D.C., and Puerto Rico.

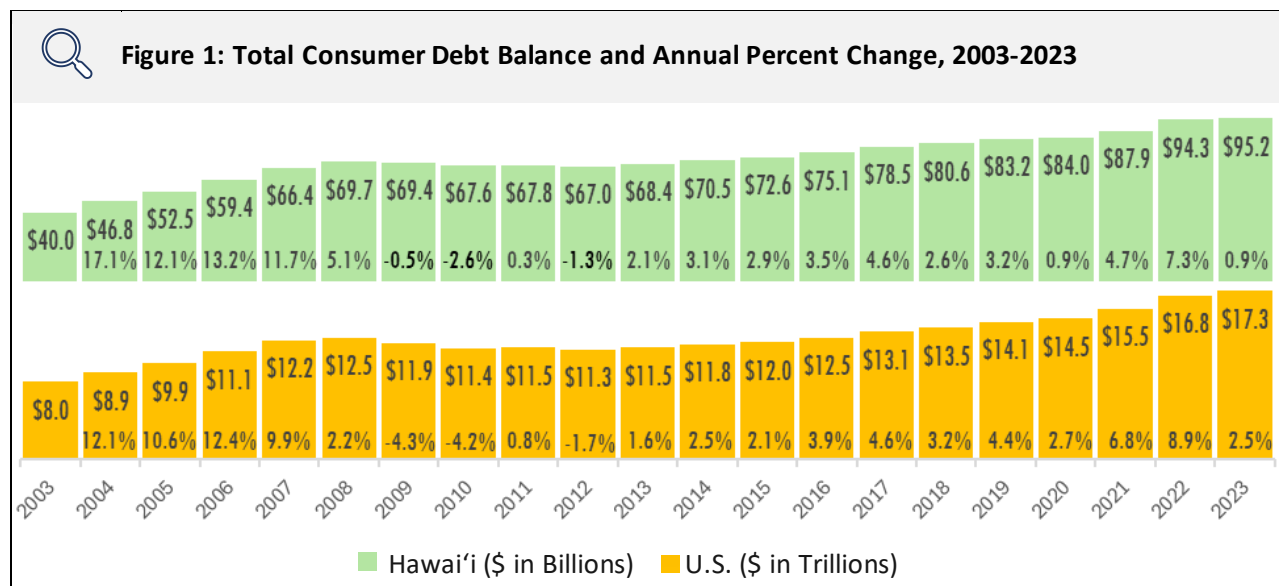
- **Debt balance** is calculated by multiplying a credit category's debt per capita by the population; the term "debt balance" is interchangeable with the credit category phrases (example, "student loan debt" or "student loan balance").
- **Total debt balance** is calculated by adding together all credit categories' debt per capita and multiplying it by the population.⁹
- **Percent of total debt balance** is the percentage of a category's debt balance to the total debt balance in a specific year.
- **Delinquency rate** is a percentage of total accounts in a credit category that are 90 days or more overdue.
- **Average annual growth rate (AAGR)** is calculated using the compound annual growth rate formula.
- **Personal income**, as defined by BEA, is income that people get from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources.
- **Personal income per Capita** is equal to BEA's personal income divided by New York Fed Consumer Credit Panel (Equifax) population.

⁹ Total debt balance includes other debts from the New York Fed Consumer Credit Panel data such as home equity lines of credit balances.

2 TOTAL CONSUMER DEBT

2.1 TOTAL CONSUMER DEBT – OVERVIEW AND COMPARISON

Hawai'i and U.S. total consumer debt trended upwards over the 2003-2023 period (Figure 1), apart from the decline during and after the Great Recession. Hawai'i total debt AAGR outpaced the U.S. over the 2003-2023 period, at 4.43% and 3.94%, respectively. Although the consumer debt kept rising during the Covid-19 pandemic, economic recovery programs such as The Coronavirus Aid, Relief, and Economic Security (CARES) Act temporarily slowed the total debt's growth. In 2020, debt balance increased by 0.9% for Hawai'i and 2.7% for the U.S.¹⁰ As mortgages comprise most consumer debt, total debt had a slower increase again in 2023 as high mortgage rates and limited housing supply reduced mortgage application demand.^{11,12}



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

¹⁰ CARES Act Recovery Assistance. (n.d.). U.S. Economic Development Administration.

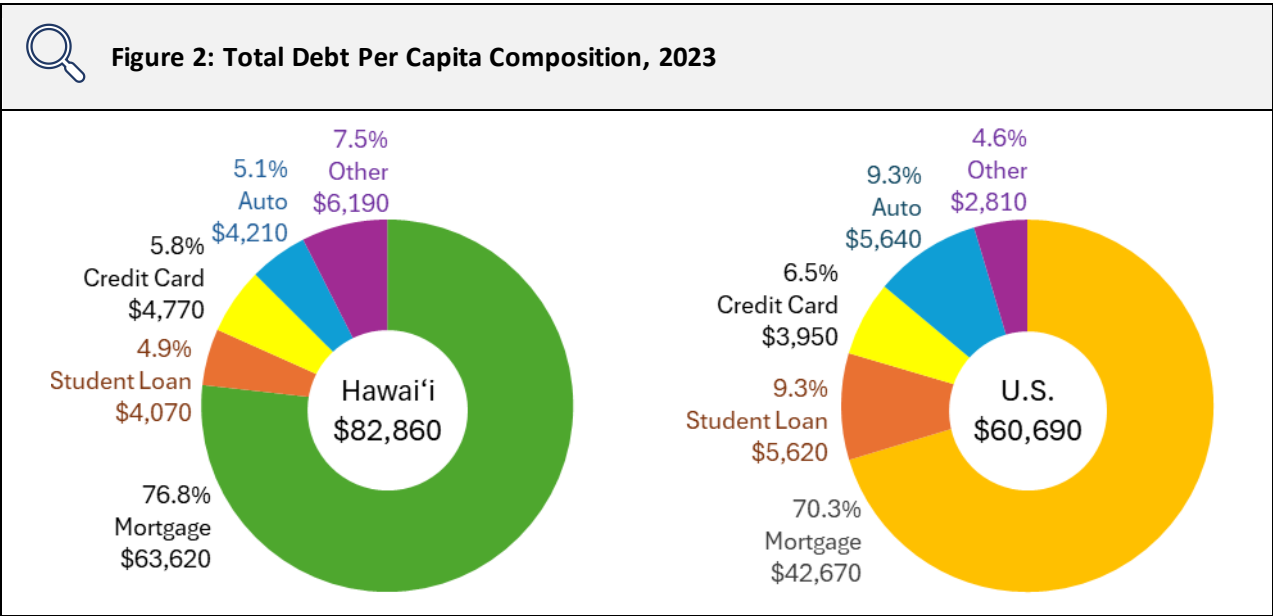
<https://www.eda.gov/taxonomy/term/266270>

¹¹ Mortgage rates. (n.d.). Freddie Mac. <https://www.freddiemac.com/pmms>

¹² Mortgage Applications - Charts and data. (n.d.). Mortgage News Daily. <https://www.mortgagenewsdaily.com/data/mortgage-applications>

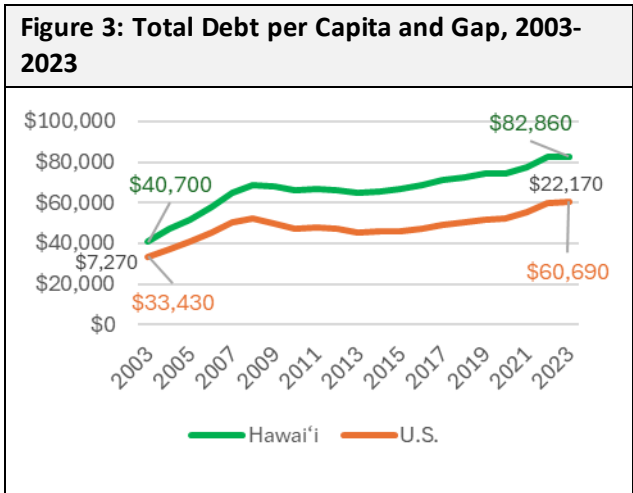
2.2 DEBT PER CAPITA – OVERVIEW AND COMPARISON

Over the 2003-2023 period, the average Hawai'i consumer with at least one Equifax credit line had a higher debt balance than the average U.S. consumer. Total debt per capita increased annually since 2014 (Figure 3) and stood at \$82,860 in Hawai'i and \$60,690 in the U.S. in 2023 (Figure 2). For Hawai'i in 2023, mortgage debt stood at \$73.1 billion, or \$63,620 per capita, and made up 76.8% of total consumer debt, far exceeding the single digit percentages of the other debt categories.



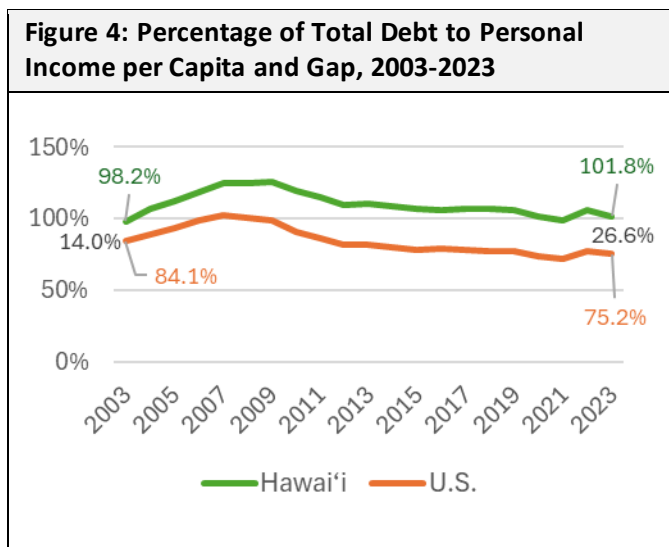
SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

In addition to increases in the total debt per capita over the 2003-2023 period, the gap between the Hawai'i and the U.S. totals increased (Figure 3). The gap was \$7,270 in 2003 and \$22,170 in 2023, equivalent to an AAGR of 5.7%. The gap divergence is mainly due to mortgage debt.



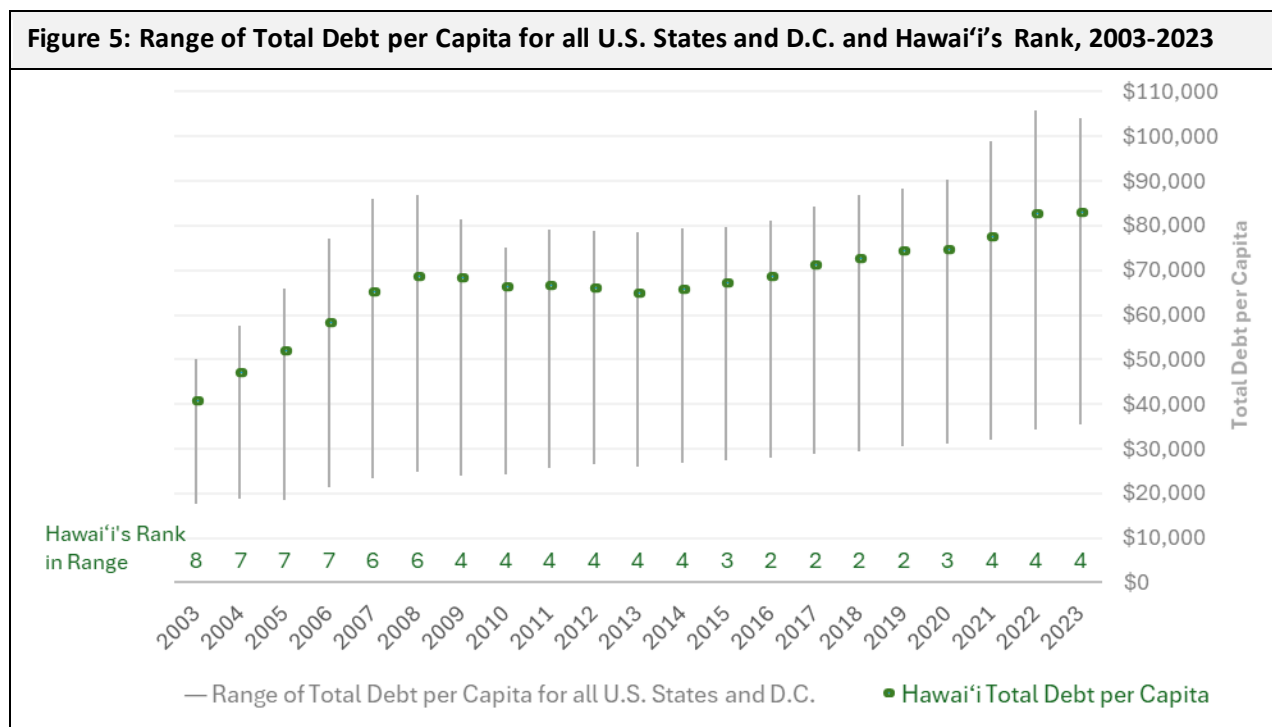
SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

Figure 4 shows the percentage of total debt to personal income per capita and gap for both Hawai'i and the U.S. over the 2003-2023 period; Hawai'i was over 100%, on average. In 2003, the gap between Hawai'i and the U.S. was 14.0 percentage points; in 2023, it nearly doubled to 26.6 percentage points, implying Hawai'i utilized more debt than the nation over time, mainly due to mortgage debt.



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

Figure 5 shows the yearly high to low range lines of total debt per capita for Hawai'i and all other states including Washington D.C. over the 2003 to 2023 period. Hawai'i consistently ranked high in the ranges. In 2003, Hawai'i ranked 8th but started to rank increasingly higher, hitting 2nd in the 2016 to 2019 period and 4th in the 2020-2023 period. On average, Washington D.C. ranked the highest and West Virginia the lowest.



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

2.3 CREDIT QUALITY AND DELINQUENCY RATES

For this report, “delinquency” means payments overdue by 90 days or more. The delinquency rate was calculated by Equifax as the percentage of debt balance delinquent in a specific credit category. The observation of Hawai‘i and U.S. delinquency rate trends can shed light on a region’s consumer quality and how the economic environment affects consumers’ abilities to manage their loans.

Hawai‘i and U.S. delinquency rates significantly differ by credit categories. As shown in Table 1, the mortgage debt category had the lowest delinquency rates in Hawai‘i and the nation in 2023. Both Hawai‘i and U.S. consumers struggled the most with credit card debt payments in 2023, with 8.31% and 9.66% delinquency rates, respectively. This was partially due to a 27% increase in credit card interest rates in 2023 over the previous year.¹³

Table 1: Delinquency Rates by Debt Category, 2003 and 2023

Debt Category	Hawai‘i		U.S.	
	2003	2023	2003	2023
Auto Loan & Lease	1.90%	5.24%	2.21%	4.20%
Mortgage	0.58%	0.55%	1.14%	0.58%
Student Loan	4.64%	0.99%	6.35%	0.66%
Credit Card	7.67%	8.31%	9.17%	9.66%
Other Debt*			7.47%	7.85%

SOURCE: New York Fed Consumer Credit Panel / Equifax

* No data was available for Hawai‘i

As shown in Figures 6 and 7, Hawai‘i consumers generally had lower delinquency rates on their credit card and auto loans over the 2003-2023 period. Student loan delinquency rates (Figure 8) between Hawai‘i and the nation varied but generally increased from 2003 to 2019 before descending in 2020 to less than 1% in 2022 and 2023. The drastic change is likely due to “executive and legislative actions [started] in March 2020 providing unprecedented debt relief by temporarily lowering interest rates on direct federal student loans to 0 percent and automatically placing these loans into administrative forbearance.”¹⁴ Hawai‘i consumers had lower mortgage delinquency rates (Figure 9) compared to the nation from 2001 to 2012 after which they performed roughly the same.

¹³ DBEDT Calculation; *Commercial Bank Interest Rate on Credit Card Plans, All Accounts*. (2024, March). FRED, Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/TERMCBCCALLNS>

¹⁴ Jacob Goss, Daniel Mangrum, and Joelle Scally. (2022, March 22). *Student Loan Repayment during the Pandemic Forbearance*. Federal Reserve Bank of New York. Liberty Street Economics. <https://libertystreeteconomics.newyorkfed.org/student-loan-repayment-during-the-pandemic-forbearance>.



Figure 6: Credit Card Debt Delinquency Rate, 2003-2023

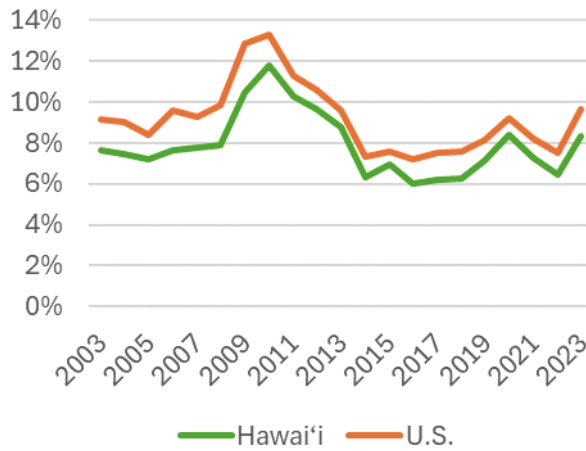


Figure 7: Auto Debt Delinquency Rate, 2003-2023

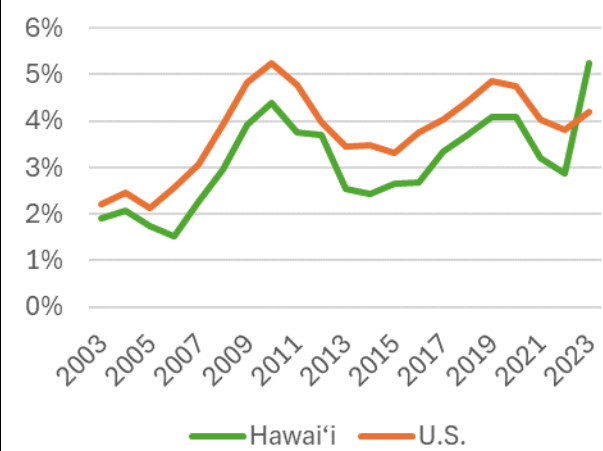


Figure 8: Student Loan Debt Delinquency Rate, 2003-2023*

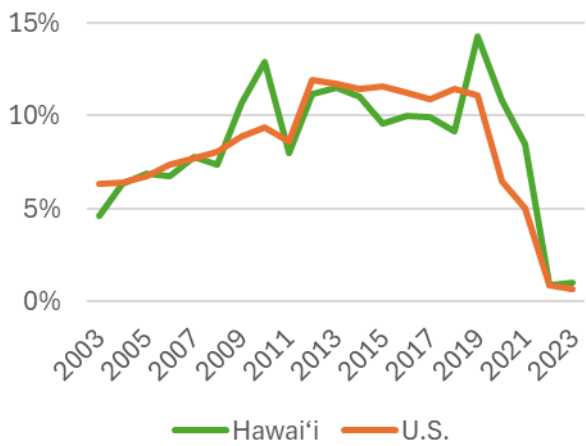
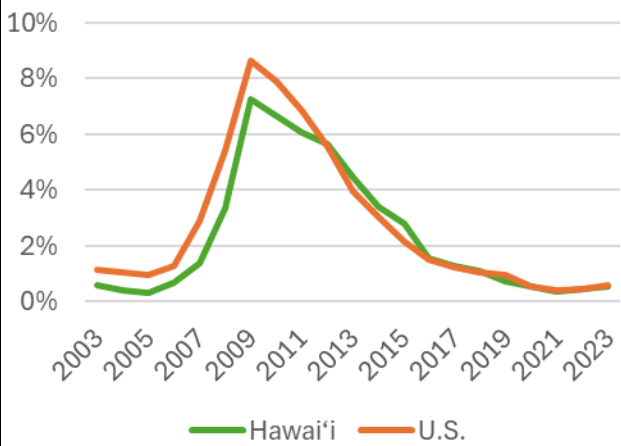


Figure 9: Mortgage Debt Delinquency Rate, 2003-2023



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

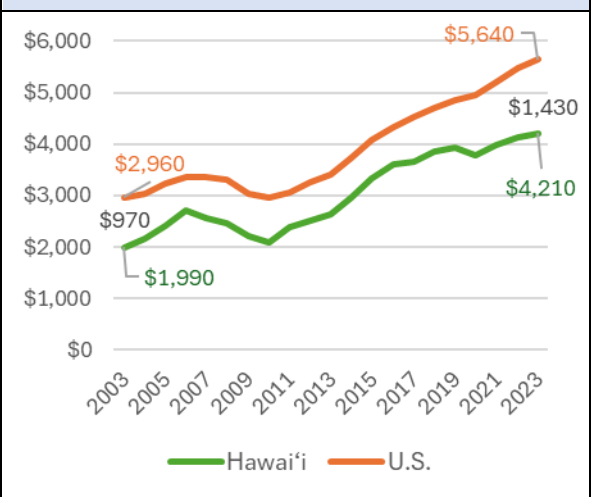
* U.S. rate was estimated using a weighted average of state population.

3 AUTO LOAN & LEASE

As shown in Figure 10, Hawai'i and U.S. auto loan debt per capita similarly trended upward over the 2003-2023 period, with Hawai'i consumers having less debt. While there was a dip in auto debt per capita during the Great Recession, the balance has since increased as consumer confidence increased. In 2023, Hawai'i consumers hit a historic debt per capita high of \$4,210; however, for the first time in the period Hawai'i was more delinquent than the nation by 1.04 percentage points (Table 1), at a period high of 5.24%. The gap increased from \$970 to \$1,430.

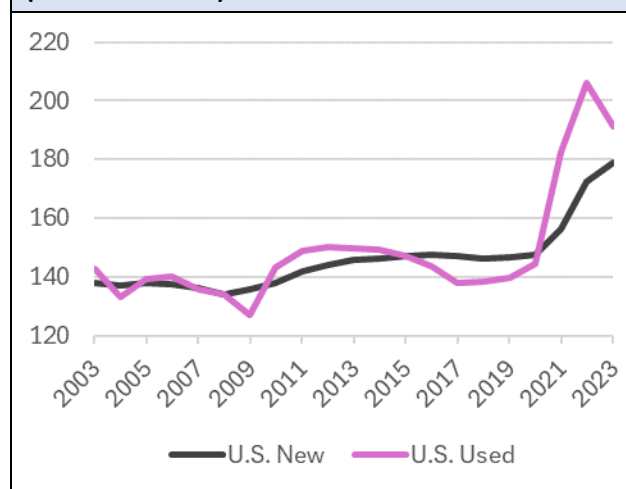
The increased balances in auto loan debt likely stemmed from the rise in car prices. As shown in Figure 11A and 11B, the Consumer Price Index for both new vehicles and used cars and trucks increased, on average over respective periods, with large increases after 2020.

Figure 10: Auto Loan Debt per Capita and Gap, 2003-2023



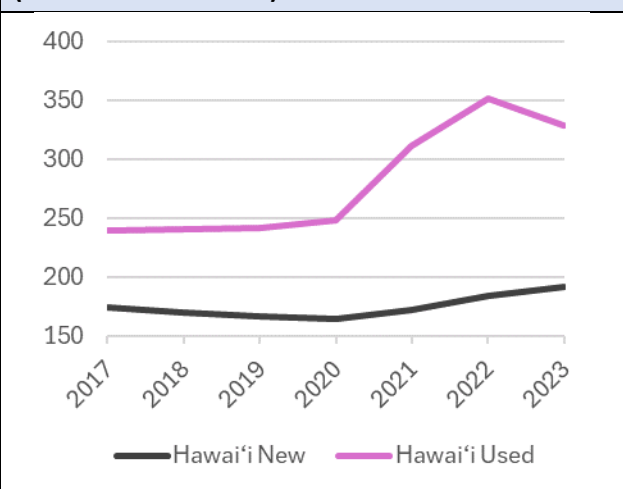
SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

Figure 11A: U.S. Consumer Price Index for New Vehicles and Used Cars and Trucks, 2003-2023 (1982-1984=100)



SOURCE: DBEDT, Bureau of Labor Statistics (BLS)

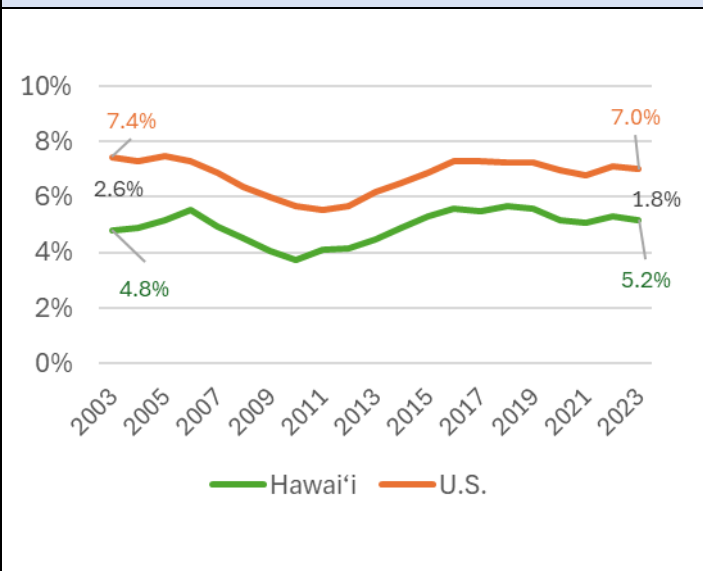
Figure 11B: Hawai'i Consumer Price Index for New Vehicles and Used Cars and Trucks, 2017-2023 (December 1977=100)



SOURCE: DBEDT, Bureau of Labor Statistics (BLS)

Figure 12 shows the percentage of auto loan debt to personal income per capita for both Hawai'i and the U.S. over the 2003-2023 period. Apart from the dip in 2010, auto loan debt comprised a larger share of personal income in 2022 for Hawai'i. The percentage gap between Hawai'i and the U.S. declined slightly over the period with Hawai'i being lower over the analysis period, implying Hawai'i consumers consistently were less burdened with the debt than the nation's consumers.

Figure 12: Percentage of Auto Loan Debt to Personal Income per Capita and Gap, 2003-2023



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax, BEA

4 MORTGAGE



Mortgage debt per capita increased rapidly prior to the Great Recession, decreased after 2009 until 2015, and then gradually increased starting in 2016 (Figure 13). With a persistently low housing inventory and low interest rates into 2021, it is no surprise that home prices and mortgage debt ballooned. For reference, Hawai'i's mortgage per capita balance was \$55,300 in 2009 and increased to a historic high of \$63,620 in

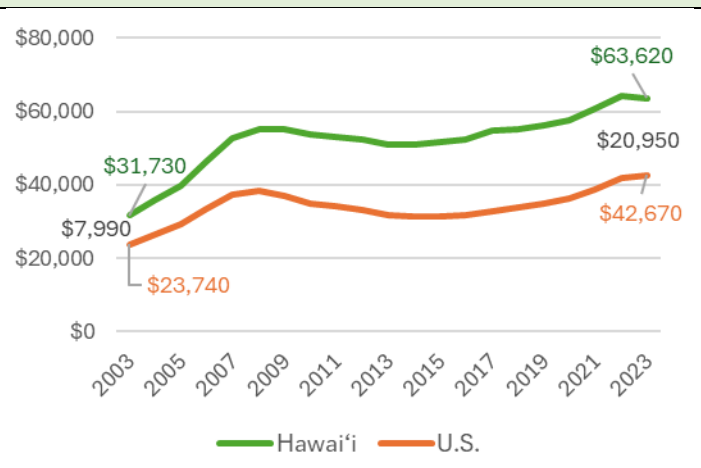
2023. The average annual growth rate in mortgage debt per capita was highest in the pre-Great Recession years. From 2002 to 2007, Hawai'i's mortgage debt per capita had an average annual growth rate of 13.5%; for each year between 2008 to 2023, the growth was never above 6%.

Over the 2003-2023 period, there have been three trends. First, mortgage debt made up the highest composition of consumer debt for Hawai'i and the U.S. In 2023, Hawai'i's mortgage debt per capita was \$63,620 (Figure 13) and was 76.8% of total debt (Figure 2). In comparison, the U.S. mortgage per capita was lower at \$42,670 and was 70.3% of total debt.

Second, Hawai'i home owners had a higher mortgage balance than the U.S. average and

high home prices in Hawai'i was a large contributing factor. The median single family home price in June 2023 for Honolulu County was \$1,050,000, compared to \$445,230 for the U.S.^{15,16} The per capita mortgage balance in Hawai'i in 2023 was more than 49% higher than in the U.S.

Figure 13: Mortgage Debt per Capita and Gap, 2003-2023



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

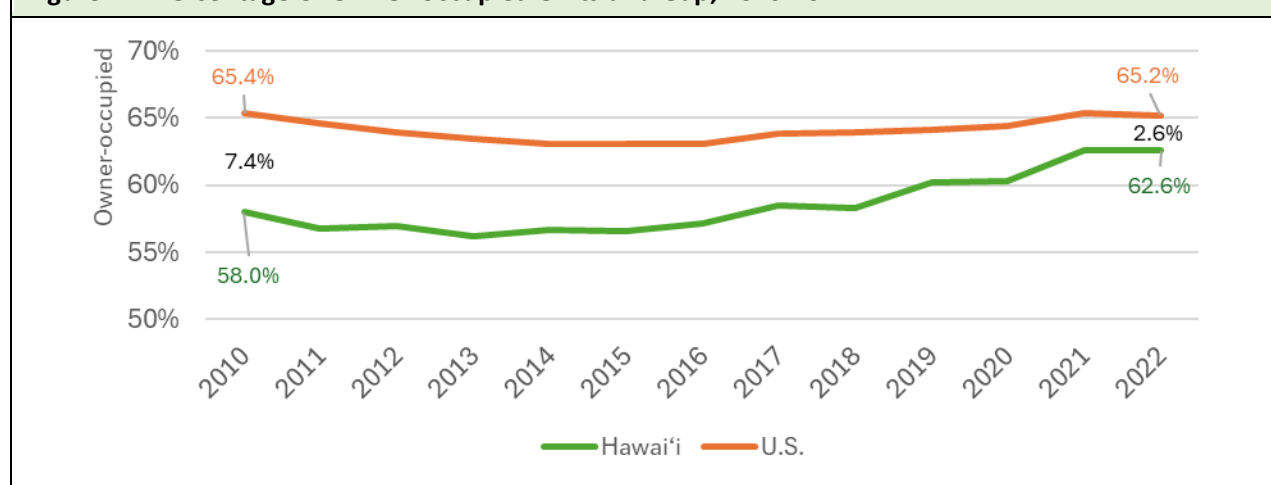
¹⁵ *Economic Data Warehouse*. (n.d.). Dbedt.hawaii.gov. Retrieved March 22, 2024, from <https://dbedt.hawaii.gov/economic/datawarehouse/>

¹⁶ *United States Housing Prices & Market - Redfin*. (n.d.). Redfin. Retrieved March 22, 2024, from <https://www.redfin.com/us-housing-market>

Third, the gap between Hawai'i and U.S. mortgage debt per capita increased over time. The gap was noticeably apparent leading into the Great Recession in 2008 with Hawai'i's mortgage balance increasing at a faster rate than the nation's balance. In 2023, the gap of \$20,950 was near a historic high.

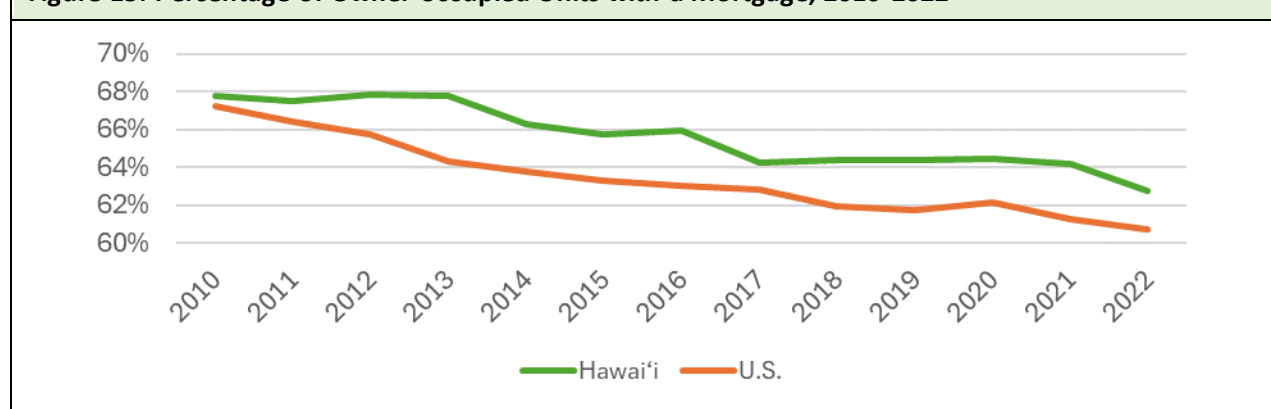
Besides home prices, another possible contributor to a higher per capita mortgage in Hawai'i than the U.S. is found in U.S. Census Bureau housing data. In the 2010-2022 period, the years for which data are available, the percentage of owner-occupied units in Hawai'i were approaching national levels, from a gap of 7.4 percentage points in 2010 to 2.6 percentage points in 2023 (Figure 14). And overall (Figure 15) shows that was a higher percentage of owner-occupied units with a mortgage in Hawai'i than the U.S.¹⁷

Figure 14: Percentage of Owner-occupied Units and Gap, 2010-2022



SOURCE: DBEDT, United States Census Bureau

Figure 15: Percentage of Owner-occupied Units with a Mortgage, 2010-2022



SOURCE: DBEDT, United States Census Bureau

Figure 15 also shows a shrinking demand for mortgages from owner-occupied units, which could contribute to a lower delinquency rate in Hawai'i and the U.S. Despite having a larger mortgage debt

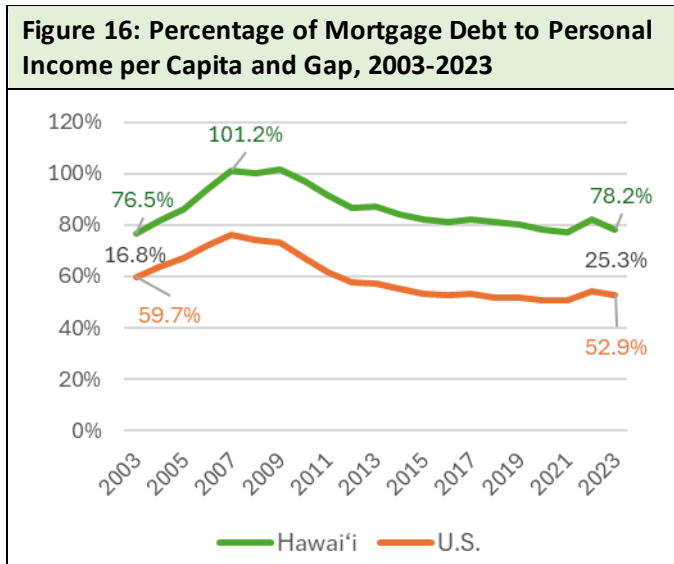
¹⁷ Explore Census Data. (n.d.). Data.census.gov. Retrieved March 22, 2024, from <https://data.census.gov/table/ACSDP1Y2022.DP04>

balance, Hawai'i mortgage holders still manage their debts better than the nation's mortgage holders. From 2003 to 2012, the delinquency rates were noticeably lower in Hawai'i than the nation (Figure 9). Thereafter, the two locations' delinquency rates tracked similarly. As of 2023, the delinquency rate was 0.55% in Hawai'i compared to 0.58% in the U.S. In general, mortgage debt had the lowest delinquency rate amongst the other debt categories and did not exceed 2% annually after 2015.

Figure 16 shows the percentage of mortgage debt to personal income per Capita for Hawai'i and the U.S. over the 2003-2023 period.

Because of a combination of factors such as low interest rates, easy access to mortgages, The Mortgage Forgiveness Debt Relief Act of 2007, and unemployment during the Great Recession, mortgage debt peaked between 2007 and 2009.¹⁸ The percentage temporarily spiked during the pandemic when interest rates decreased, and many consumers migrated away from major cities. The percentage gap between Hawai'i and the U.S.

increased over the analysis period, implying Hawai'i housing became less affordable than the overall U.S.



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax, BEA

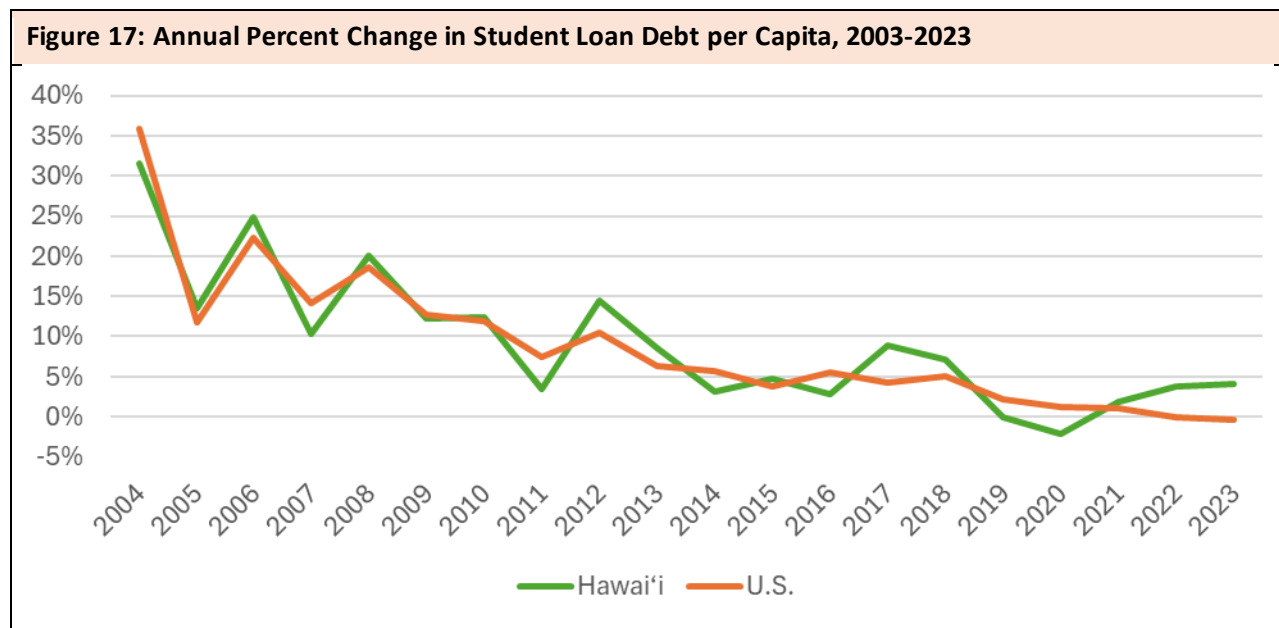
¹⁸ Jones, B. L. C., PhD CPA. (2008, May 1). *The Mortgage Forgiveness Debt Relief Act of 2007*. The Tax Adviser. <https://www.thetaxadviser.com/issues/2008/may/themortgageforgivenessdebtreliefactof2007.html>

5 STUDENT LOAN

University tuition and fees increased significantly over the past twenty years. Inflation-adjusted tuition for public four-year in-state universities increased 51% from 2003 to 2013 and peaked in 2020 before decreasing to the 2013 level in 2023.¹⁹ Education cost is reflected in student loan debt.



Hawai'i and the nation's student loan balance per capita tracked a similar trend with double-digit growth between 2003-2013 and slowing increases until 2020 (Figure 17). After 2020, the growth for the nation declined whereas it increased in Hawai'i.

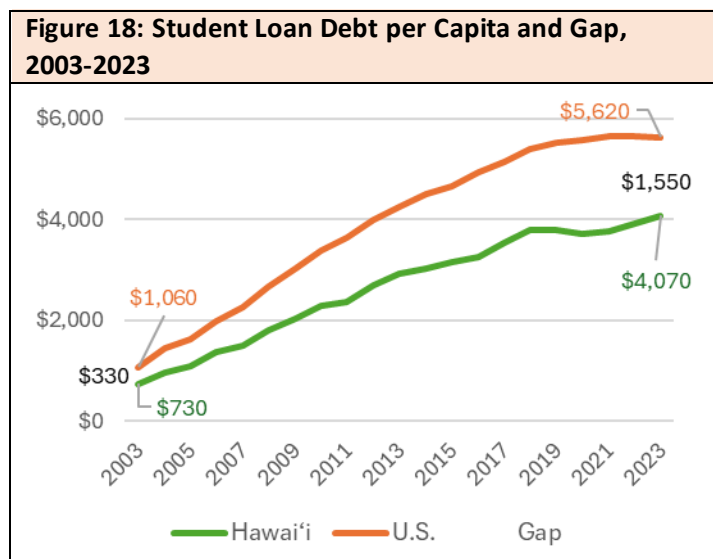


SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

In 2023, Hawai'i's student loan debt per capita increased by 4.1% over the previous year and stood at \$4,070—the highest debt balance in twenty years. In 2023, the nation's per capita balance declined by 0.4% to \$5,620 from a twenty-year high of \$5,640 in 2022.

¹⁹ College Board. (2023, November). *Trends College Pricing*. College Board. <https://research.collegeboard.org/trends/college-pricing>

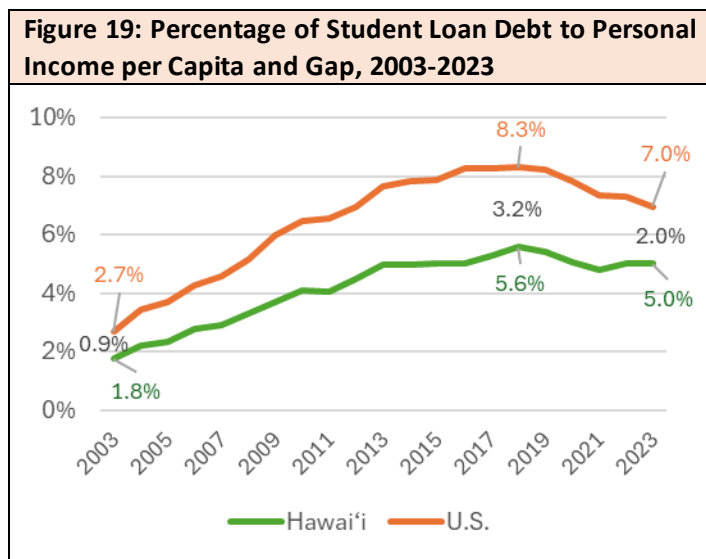
Hawai'i's student loan debt per capita levels have always been lower than those nationally (Figure 18). The gap between the two increased significantly over the past twenty years. In 2003 the gap was \$330 and by 2023 it increased to \$1,550.



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

While other credit category delinquency rates followed similar trends, the student loan delinquency rates varied between Hawai'i and the U.S. (Figure 8) After 2021, student loan delinquency rates declined to less than 1% annually for both, a result of federal government assistance.^{20,21} When assistance ends, the delinquency rates may rise.

Share of student loan to personal income per capita nearly tripled for Hawai'i and more than doubled for the nation during the 2003-2023 period (Figure 19), with both peaking in 2018, at 8.3% and 5.6%, respectively. The gap tripled between 2003 and 2016, implying the U.S. was having a more difficult time with student loan debt in that period than Hawai'i. The gap only declined to 2.0 percentage points by 2023.



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax, BEA

²⁰ (2023, June 23). *Student Loans: A Timeline of Actions Taken in Light of the COVID-19 Pandemic*. Congressional Research Service. <https://crsreports.congress.gov/product/pdf/IF/IF12136>.

²¹ (2024, March 21). *Statement from President Joe Biden on Nearly \$6 Billion in Student Debt Cancellation for 78,000 Public Service Workers*. The White House. <https://www.whitehouse.gov/briefing-room/statements-releases/2024/03/21/statement-from-pre>

6 CREDIT CARD

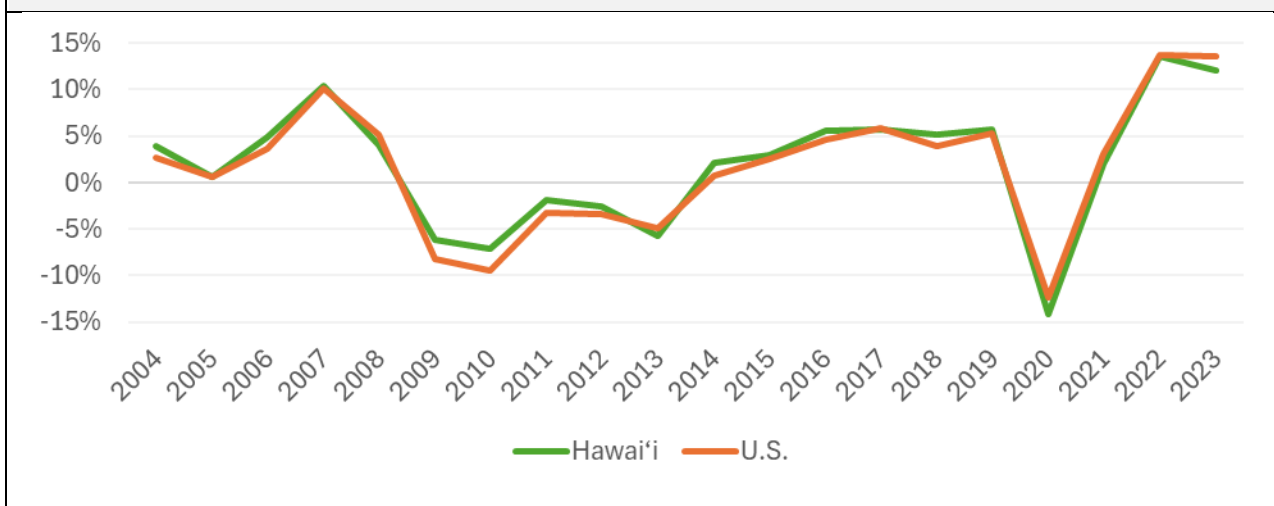


Over the 2003 to 2023 period, credit card debt increased 67.5% in Hawai'i to a historic high of \$5.5 billion and increased 59.3% in the U.S. to a historic high of \$1.1 trillion.

For the 2003-2023 period, credit card debt per capita has remained relatively steady compared to the other categories; in Hawai'i, the average annual growth rate for credit card debt per capita was 1.8% compared to 4.4% for total debt. For both Hawai'i and the U.S., the largest annual percent increases occurred in 2007, 2022, and 2023; the largest annual percent decreases occurred in 2020 (Figure 20).

Among all the debt categories, credit card debt per capita had the largest annual percent declines during the COVID-19 pandemic, declining by -14.2% in Hawai'i and -12.4% nationally in 2020 over the previous year. However, credit card purchases quickly rebounded as the nation emerged from the pandemic and consumer spending increased.²²

Figure 20: Annual Percent Change in Credit Card Debt per Capita, 2003-2023

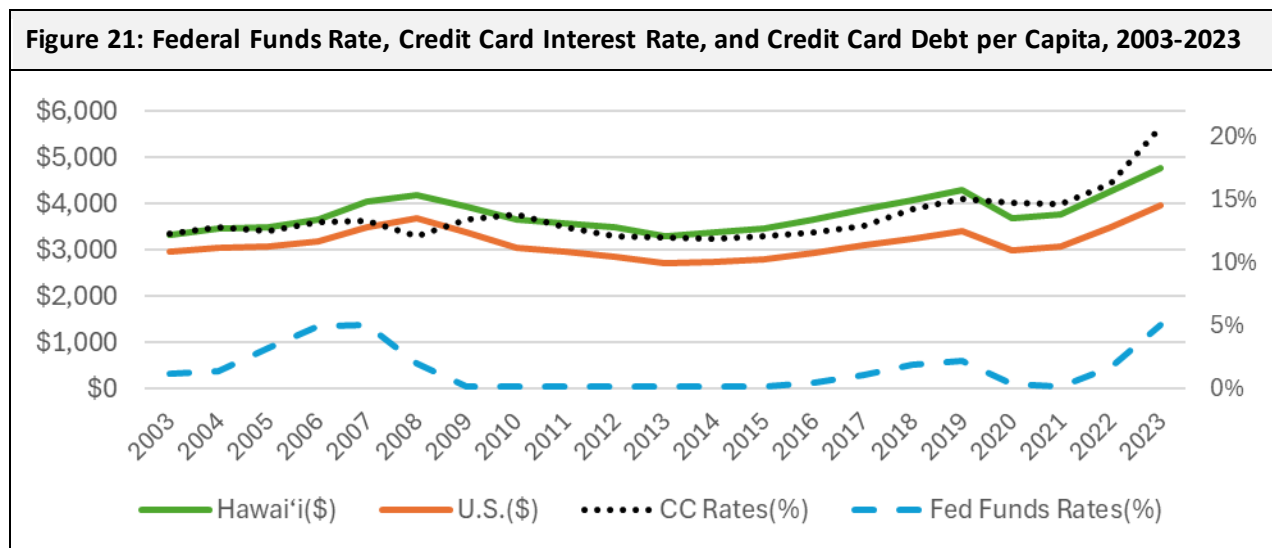


SOURCE: DBEDT, New York Fed Consumer Credit Panel/ Equifax

²² U.S. Census Bureau. (2024). *Advance Retail Sales: Retail (Excluding Food Services)*. FRED, Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/RXSF5>

Delinquency rates for Hawai‘i and the U.S. fluctuated with major events and policies (Figure 6). Compared to the U.S., Hawai‘i’s credit card balance per capita was above national levels over the 2003-2023 period, although Hawai‘i maintains this debt better than the nation overall, as reflected by lower delinquency rates.

During the same period, credit card debt trended with the federal funds rate and credit card interest rates, except around events like the Great Recession and pandemic (Figure 21). An explanation for the 2020-2021 debt trend is that consumers were able to pay their credit card balances more easily due to stimulus payments and additional tax credits for other debt.²³ But in 2023, debt levels and delinquency rates increased again as the federal funds rate jumped to a pre-Great Recession level and credit card interest rates rose to a twenty-year average annual high of 20.7%.

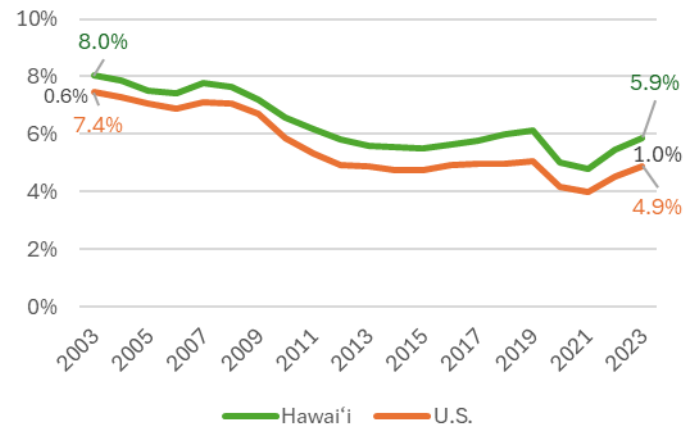


SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax, Federal Reserve Bank of St. Louis

²³ Adams, Robert M., Vitaly M. Bord, and Bradley Katcher (2021). "Why Did Credit Card Balances Decline so Much during the COVID-19 Pandemic?," FEDS Notes. Washington: Board of Governors of the Federal Reserve System, December 03, 2021, <https://doi.org/10.17016/2380-7172.3021>.

Figure 22 shows the percentage of credit card debt to personal income per Capita for both Hawai'i and the U.S. over the 2003-2023 period. The percentages were highest in 2003, comprising a larger share of personal income than later years. The percentage gap between Hawai'i and the U.S. was roughly the same over the analysis period, implying that Hawai'i consumers were consistently utilizing this debt more than was the case nationally.

Figure 22: Percentage of Credit Card Debt to Personal Income per Capita and Gap, 2003-2023

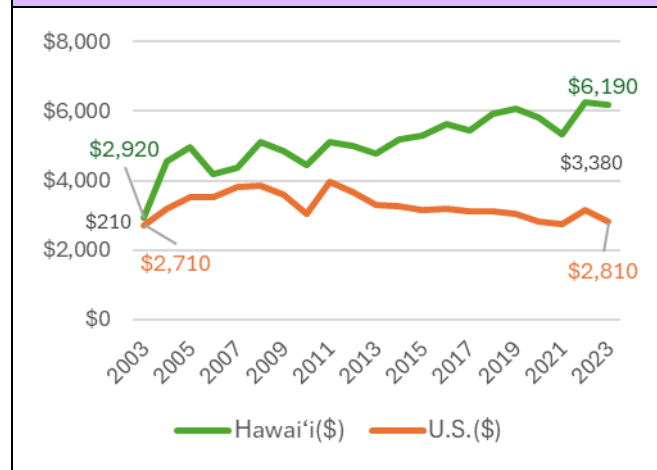


SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax, BEA

7 OTHER DEBT

Total debt contains “Other” debt which includes retail cards and other consumer loans. Over the 2003-2023 period, Hawai‘i increasingly utilized this type of debt more than the nation, as shown by the gap change in Figure 23. The debt balance per capita was similar in both Hawai‘i and the U.S. in 2003 after which Hawai‘i immediately trended upward; Other debt per capita AAGR over the 2003-2023 period for Hawai‘i was 3.8% and 0.2% for the nation.

Figure 23: Other Debt per Capita and Gap, 2003-2023

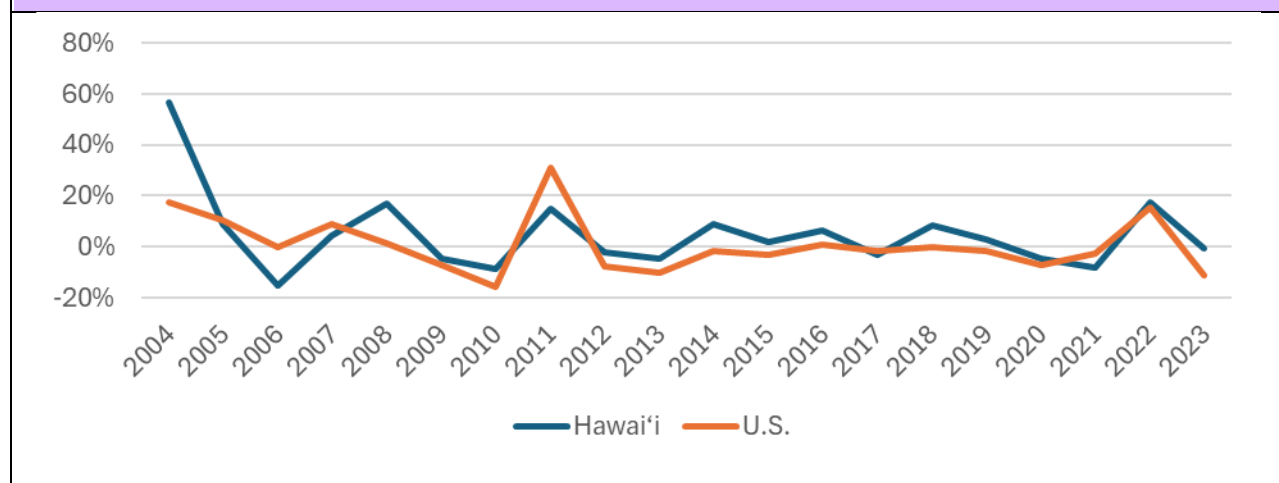


SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

In 2023, Other debt totaled \$7.1 billion, or \$6,190 per capita, in Hawai‘i, and \$800 billion, or \$2,810 per capita, in the nation. In 2023, this type of debt was the 2nd largest debt category in Hawai‘i at 7.5% of total debt (Figure 2).

Annual percent change in Hawai‘i’s Other debt per capita was higher than the nation’s (Figure 24), confirming Hawai‘i utilized this debt more on average each year.

Figure 24: Annual Percent Change in Other Debt per Capita, 2003-2023



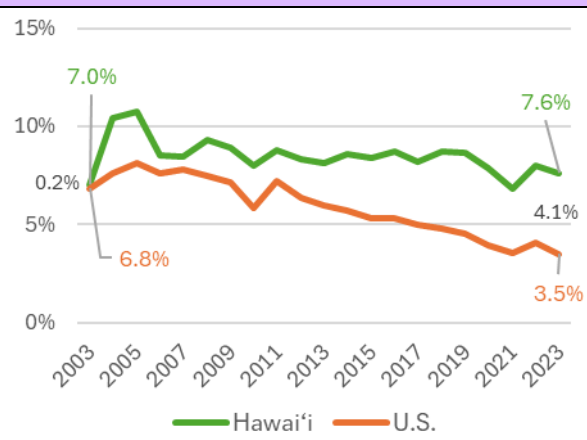
SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax

Delinquency data was only available at the national level. For the nation, the delinquency rate was 7.47% in 2003 and 7.85% in 2023, and below but consistent with credit card delinquency rates over the 2003-

2023 period. We assume Hawai'i had a similar delinquency relationship between these two debt categories.

The percentage of Other debt to personal income per capita over the 2003-2023 period increased in Hawai'i while it decreased in the nation (Figure 25). The percentage gap increased significantly from 0.2 percentage points to 4.1 percentage points, confirming again that Hawai'i utilized this debt more than the nation with each new year.

Figure 25: Percentage of Other Debt to Personal Income per Capita and Gap, 2003-2023



SOURCE: DBEDT, New York Fed Consumer Credit Panel / Equifax, BEA

8 APPENDIX

Table A1: Total and Per Capita Consumer Debt, 2003–2023

Year	Total Debt Balance (\$mil.)		Total Debt per Capita (\$)		Population	
	Hawai'i	U.S.	Hawai'i	U.S.	Hawai'i	U.S.
2003	39,982	7,969,824	40,700	33,430	982,360	238,403,344
2004	46,831	8,931,712	47,030	37,290	995,760	239,520,304
2005	52,507	9,879,907	51,810	40,650	1,013,460	243,048,144
2006	59,430	11,104,696	58,210	45,410	1,020,960	244,542,960
2007	66,376	12,199,731	65,040	50,170	1,020,540	243,167,856
2008	69,746	12,462,404	68,610	52,010	1,016,560	239,615,536
2009	69,428	11,930,930	68,320	49,820	1,016,220	239,480,736
2010	67,629	11,424,385	66,130	47,410	1,022,660	240,969,936
2011	67,824	11,511,400	66,540	47,790	1,019,300	240,874,656
2012	66,955	11,320,805	65,930	47,020	1,015,540	240,765,728
2013	68,389	11,502,186	64,670	45,310	1,057,500	253,855,344
2014	70,520	11,792,270	65,590	45,710	1,075,160	257,980,096
2015	72,553	12,035,985	67,010	46,000	1,082,720	261,651,840
2016	75,064	12,499,461	68,500	46,950	1,095,820	266,229,200
2017	78,525	13,080,429	71,170	48,800	1,103,340	268,041,568
2018	80,582	13,499,048	72,590	50,090	1,110,100	269,495,872
2019	83,197	14,091,082	74,230	51,580	1,120,800	273,188,864
2020	83,973	14,474,003	74,550	52,500	1,126,400	275,695,296
2021	87,910	15,464,602	77,410	55,480	1,135,640	278,741,920
2022	94,340	16,842,433	82,650	59,580	1,141,440	282,686,016
2023	95,180	17,270,053	82,860	60,690	1,148,680	284,561,760

SOURCE: Reserve Bank of New York, “State Level Household Debt Statistics 2003-2023” (February 2024) accessed March 14, 2024.
https://www.newyorkfed.org/medialibrary/Interactives/householdcredit/data/xls/area_report_by_year.xlsx

Table A2: Total and Per Capita Auto Loan, 2003–2023

Year	Total Auto Loan (\$mil.)		Per Capita Auto Loan (\$)		Delinquency (%)	
	Hawai'i	U.S.	Hawai'i	U.S.	Hawai'i	U.S.
2003	1,955	705,674	1,990	2,960	1.90	2.21
2004	2,141	728,142	2,150	3,040	2.08	2.47
2005	2,432	787,476	2,400	3,240	1.74	2.13
2006	2,777	821,664	2,720	3,360	1.53	2.56
2007	2,613	817,044	2,560	3,360	2.26	3.08
2008	2,511	793,127	2,470	3,310	2.97	3.92
2009	2,236	725,627	2,200	3,030	3.93	4.83
2010	2,127	710,861	2,080	2,950	4.39	5.24
2011	2,436	734,668	2,390	3,050	3.77	4.78
2012	2,549	787,304	2,510	3,270	3.69	3.97
2013	2,781	868,185	2,630	3,420	2.53	3.45
2014	3,172	959,686	2,950	3,720	2.42	3.48
2015	3,605	1,064,923	3,330	4,070	2.64	3.32
2016	3,945	1,155,435	3,600	4,340	2.68	3.75
2017	4,027	1,211,548	3,650	4,520	3.34	4.03
2018	4,285	1,266,631	3,860	4,700	3.71	4.41
2019	4,394	1,324,966	3,920	4,850	4.09	4.87
2020	4,269	1,367,449	3,790	4,960	4.08	4.76
2021	4,508	1,452,245	3,970	5,210	3.19	4.04
2022	4,714	1,546,293	4,130	5,470	2.88	3.81
2023	4,836	1,604,928	4,210	5,640	5.24	4.20

SOURCE: Reserve Bank of New York, “State Level Household Debt Statistics 2003-2023” (February 2024) accessed March 14, 2024.
https://www.newyorkfed.org/medialibrary/Interactives/householdcredit/data/xls/area_report_by_year.xlsx

Table A3: Total and Per Capita Mortgage Loan, 2003–2023

Year	Total Mortgage Loan (\$mil.)		Per Capita Mortgage Loan (\$)		Delinquency (%)	
	Hawai'i	U.S.	Hawai'i	U.S.	Hawai'i	U.S.
2003	31,170	5,659,695	31,730	23,740	0.58	1.14
2004	35,738	6,368,845	35,890	26,590	0.42	1.04
2005	40,407	7,104,297	39,870	29,230	0.30	0.94
2006	47,250	8,167,735	46,280	33,400	0.67	1.28
2007	53,650	9,058,003	52,570	37,250	1.38	2.89
2008	55,941	9,222,802	55,030	38,490	3.34	5.40
2009	56,197	8,815,286	55,300	36,810	7.24	8.66
2010	54,907	8,436,357	53,690	35,010	6.67	7.89
2011	54,135	8,237,913	53,110	34,200	6.07	6.85
2012	53,042	8,000,645	52,230	33,230	5.66	5.57
2013	53,996	8,029,445	51,060	31,630	4.47	3.97
2014	54,908	8,131,533	51,070	31,520	3.39	3.03
2015	56,052	8,197,552	51,770	31,330	2.78	2.15
2016	57,399	8,410,180	52,380	31,590	1.57	1.53
2017	60,331	8,829,289	54,680	32,940	1.30	1.22
2018	61,033	9,076,621	54,980	33,680	1.09	1.04
2019	62,944	9,504,241	56,160	34,790	0.71	0.96
2020	64,858	9,971,899	57,580	36,170	0.54	0.56
2021	68,820	10,823,549	60,600	38,830	0.38	0.42
2022	73,178	11,824,756	64,110	41,830	0.44	0.46
2023	73,079	12,142,250	63,620	42,670	0.55	0.58

SOURCE: Reserve Bank of New York, “State Level Household Debt Statistics 2003-2023” (February 2024) accessed March 14, 2024.
https://www.newyorkfed.org/medialibrary/Interactives/householdcredit/data/xls/area_report_by_year.xlsx

Table A4: Total and Per Capita Student Loan, 2003–2023

Year	Total Student Loan (\$mil.)		Per Capita Student Loan (\$)		Delinquency (%)	
	Hawai'i	U.S.	Hawai'i	U.S.	Hawai'i	U.S.
2003	717	252,708	730	1,060	4.64	6.35
2004	956	344,909	960	1,440	6.32	6.43
2005	1,105	391,308	1,090	1,610	6.88	6.72
2006	1,389	481,750	1,360	1,970	6.78	7.37
2007	1,531	547,128	1,500	2,250	7.80	7.73
2008	1,830	639,773	1,800	2,670	7.36	8.03
2009	2,053	720,837	2,020	3,010	10.67	8.87
2010	2,321	812,069	2,270	3,370	12.89	9.35
2011	2,395	871,966	2,350	3,620	7.96	8.60
2012	2,732	963,063	2,690	4,000	11.17	11.94
2013	3,088	1,078,885	2,920	4,250	11.53	11.70
2014	3,236	1,158,331	3,010	4,490	11.03	11.46
2015	3,411	1,219,298	3,150	4,660	9.59	11.55
2016	3,550	1,309,848	3,240	4,920	9.98	11.26
2017	3,895	1,375,053	3,530	5,130	9.93	10.90
2018	4,196	1,452,583	3,780	5,390	9.15	11.47
2019	4,237	1,505,271	3,780	5,510	14.29	11.11
2020	4,168	1,538,380	3,700	5,580	10.81	6.46
2021	4,281	1,572,104	3,770	5,640	8.46	5.01
2022	4,463	1,594,349	3,910	5,640	0.91	0.88
2023	4,675	1,599,237	4,070	5,620	0.99	0.66

SOURCE: Reserve Bank of New York, “State Level Household Debt Statistics 2003-2023” (February 2024) accessed March 14, 2024.
https://www.newyorkfed.org/medialibrary/Interactives/householdcredit/data/xls/area_report_by_year.xlsx

Table A5: Total and Per Capita Credit Card Loan, 2003–2023

Year	Total Credit Card Loan (\$mil.)		Per Capita Credit Card Loan (\$)		Delinquency (%)	
	Hawai'i	U.S.	Hawai'i	U.S.	Hawai'i	U.S.
2003	3,271	705,674	3,330	2,960	7.67	9.17
2004	3,445	728,142	3,460	3,040	7.44	9.02
2005	3,527	743,727	3,480	3,060	7.23	8.41
2006	3,727	775,201	3,650	3,170	7.63	9.58
2007	4,113	848,656	4,030	3,490	7.78	9.30
2008	4,259	879,389	4,190	3,670	7.87	9.84
2009	3,994	807,050	3,930	3,370	10.47	12.83
2010	3,733	734,958	3,650	3,050	11.78	13.31
2011	3,649	710,580	3,580	2,950	10.29	11.29
2012	3,544	686,182	3,490	2,850	9.63	10.57
2013	3,479	687,948	3,290	2,710	8.77	9.61
2014	3,613	704,286	3,360	2,730	6.34	7.35
2015	3,746	732,625	3,460	2,800	6.97	7.61
2016	4,000	780,052	3,650	2,930	6.02	7.23
2017	4,259	830,929	3,860	3,100	6.20	7.51
2018	4,507	867,777	4,060	3,220	6.24	7.58
2019	4,808	926,110	4,290	3,390	7.17	8.12
2020	4,145	818,815	3,680	2,970	8.40	9.24
2021	4,259	852,950	3,750	3,060	7.27	8.22
2022	4,863	983,747	4,260	3,480	6.48	7.53
2023	5,479	1,124,019	4,770	3,950	8.31	9.66

SOURCE: Reserve Bank of New York, “State Level Household Debt Statistics 2003-2023” (February 2024) accessed March 14, 2024.
https://www.newyorkfed.org/medialibrary/Interactives/householdcredit/data/xls/area_report_by_year.xlsx

Table A6: Total and Per Capita Other Loans, 2003–2023

Year	Total Other Loan (\$mil.)		Per Capita Other Loan (\$)	
	Hawai'i	U.S.	Hawai'i	U.S.
2003	2,868	646,073	2,920	2,710
2004	4,551	761,675	4,570	3,180
2005	5,037	853,099	4,970	3,510
2006	4,288	858,346	4,200	3,510
2007	4,470	928,901	4,380	3,820
2008	5,205	927,312	5,120	3,870
2009	4,949	862,131	4,870	3,600
2010	4,541	730,139	4,440	3,030
2011	5,209	956,272	5,110	3,970
2012	5,088	883,610	5,010	3,670
2013	5,044	837,723	4,770	3,300
2014	5,591	838,435	5,200	3,250
2015	5,738	821,587	5,300	3,140
2016	6,169	843,947	5,630	3,170
2017	6,013	833,609	5,450	3,110
2018	6,561	835,437	5,910	3,100
2019	6,814	830,494	6,080	3,040
2020	6,533	777,461	5,800	2,820
2021	6,042	763,753	5,320	2,740
2022	7,123	893,288	6,240	3,160
2023	7,110	799,619	6,190	2,810

SOURCE: Reserve Bank of New York, “State Level Household Debt Statistics 2003-2023” (February 2024) accessed March 14, 2024.
https://www.newyorkfed.org/medialibrary/Interactives/householdcredit/data/xls/area_report_by_year.xlsx

Table A7: Equifax Population, BEA Personal Income, and Personal Income per Capita, 2003–2023

Year	Equifax Population		BEA Personal Income (<i>\$mil.</i>)		Personal Income Per Capita (<i>BEA Personal Income divided by Equifax Population</i>)	
	Hawai'i	U.S.	Hawai'i	U.S.	Hawai'i	U.S.
2003	982,360	238,403,344	\$40,734	\$9,474,684	\$41,466	\$39,742
2004	995,760	239,520,304	\$43,729	\$10,008,929	\$43,915	\$41,787
2005	1,013,460	243,048,144	\$46,898	\$10,540,800	\$46,275	\$43,369
2006	1,020,960	244,542,960	\$50,183	\$11,291,446	\$49,152	\$46,174
2007	1,020,540	243,167,856	\$53,023	\$11,925,044	\$51,955	\$49,040
2008	1,016,560	239,615,536	\$55,803	\$12,423,410	\$54,894	\$51,847
2009	1,016,220	239,480,736	\$55,409	\$12,058,253	\$54,525	\$50,352
2010	1,022,660	240,969,936	\$56,649	\$12,547,501	\$55,394	\$52,071
2011	1,019,300	240,874,656	\$59,226	\$13,299,818	\$58,105	\$55,215
2012	1,015,540	240,765,728	\$61,162	\$13,905,749	\$60,226	\$57,756
2013	1,057,500	253,855,344	\$61,983	\$14,063,283	\$58,613	\$55,399
2014	1,075,160	257,980,096	\$65,182	\$14,778,160	\$60,626	\$57,284
2015	1,082,720	261,651,840	\$68,201	\$15,467,113	\$62,990	\$59,113
2016	1,095,820	266,229,200	\$70,745	\$15,884,741	\$64,559	\$59,666
2017	1,103,340	268,041,568	\$73,646	\$16,658,962	\$66,749	\$62,151
2018	1,110,100	269,495,872	\$75,266	\$17,514,402	\$67,801	\$64,990
2019	1,120,800	273,188,864	\$78,552	\$18,343,601	\$70,085	\$67,146
2020	1,126,400	275,695,296	\$82,761	\$19,609,985	\$73,474	\$71,129
2021	1,135,640	278,741,920	\$88,948	\$21,392,812	\$78,324	\$76,748
2022	1,141,440	282,686,016	\$88,973	\$21,820,248	\$77,948	\$77,189
2023	1,148,680	284,561,760	\$93,501	\$22,952,028	\$81,399	\$80,657

SOURCE: Reserve Bank of New York, "State Level Household Debt Statistics 2003-2023" (February 2024) accessed March 14, 2024. https://www.newyorkfed.org/medialibrary/Interactives/householdcredit/data/xls/area_report_by_year.xlsx
U.S. Bureau of Economic Analysis, "SAINC1 State annual personal income summary: personal income, population, per capita personal income" (accessed Thursday, April 4, 2024).