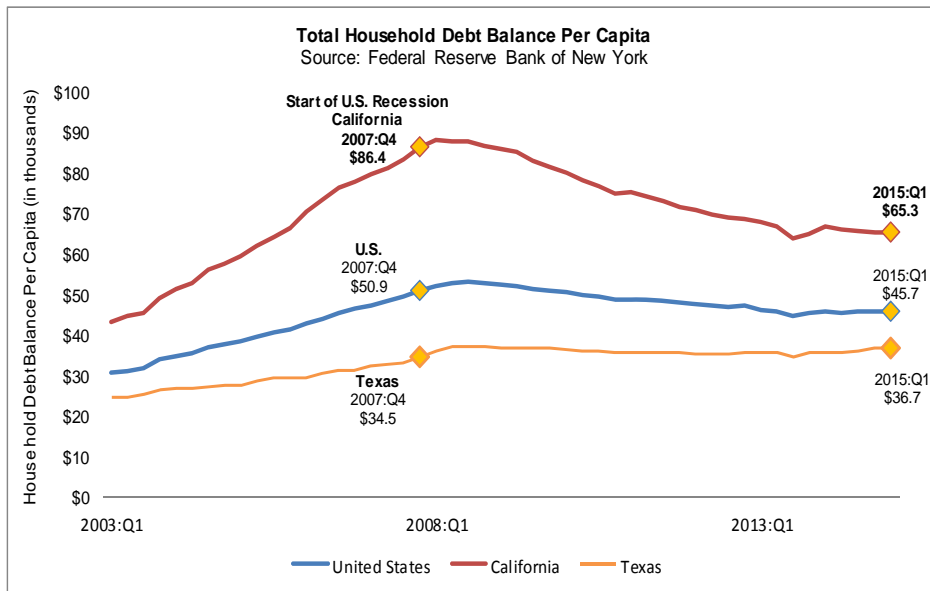
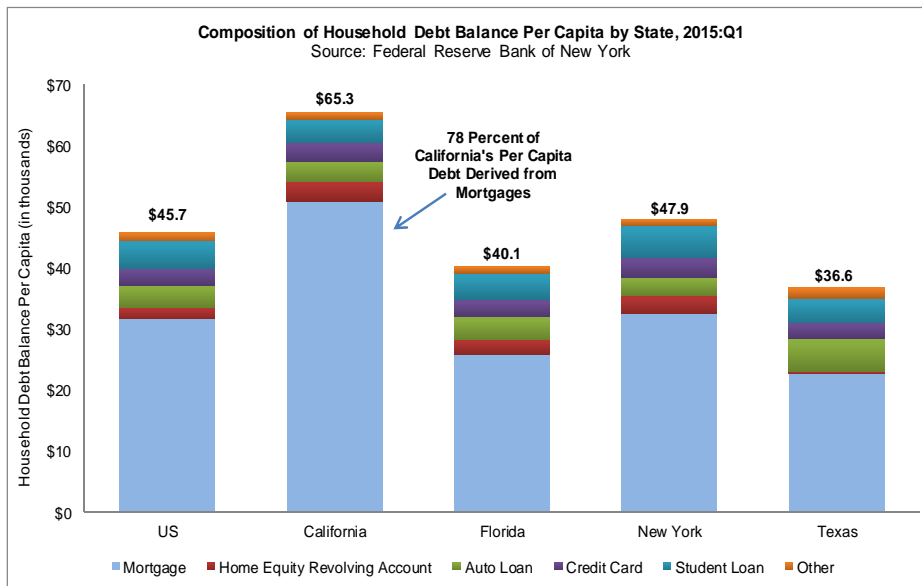


California's total household debt has declined to pre-recession levels over the past few years.



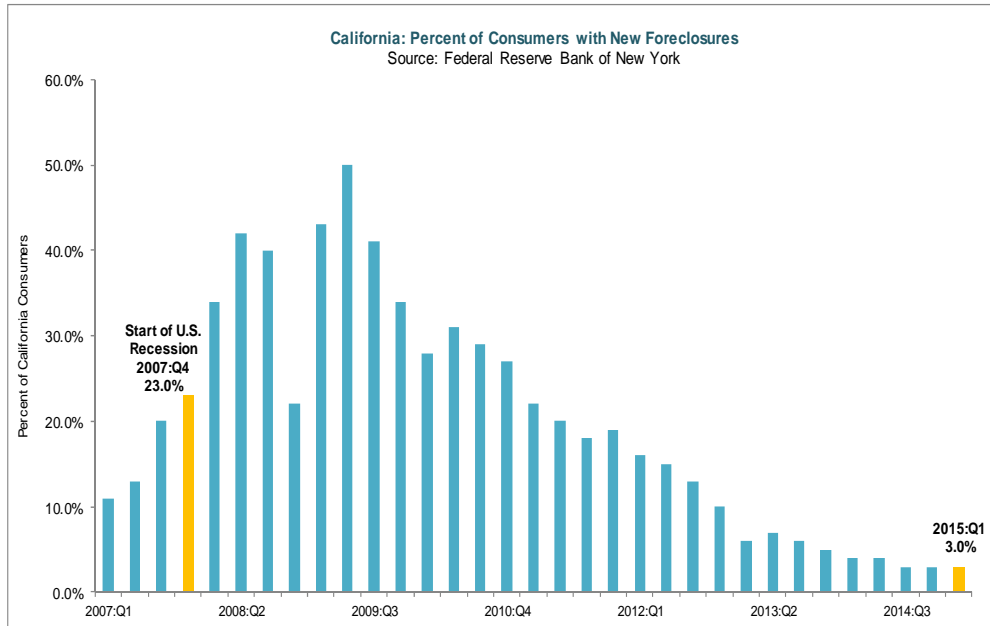
California's household debt per capita stood at \$65,390 per household in the first quarter of 2015. Quarterly declines in household debt can be attributed to a state economy that has had consecutive month-over job gains since July 2011, a steadily declining unemployment rate, and year-over increases in personal income since 2010.

The percent share of a households' mortgage-related debt was larger than all other forms of debt in 2015.



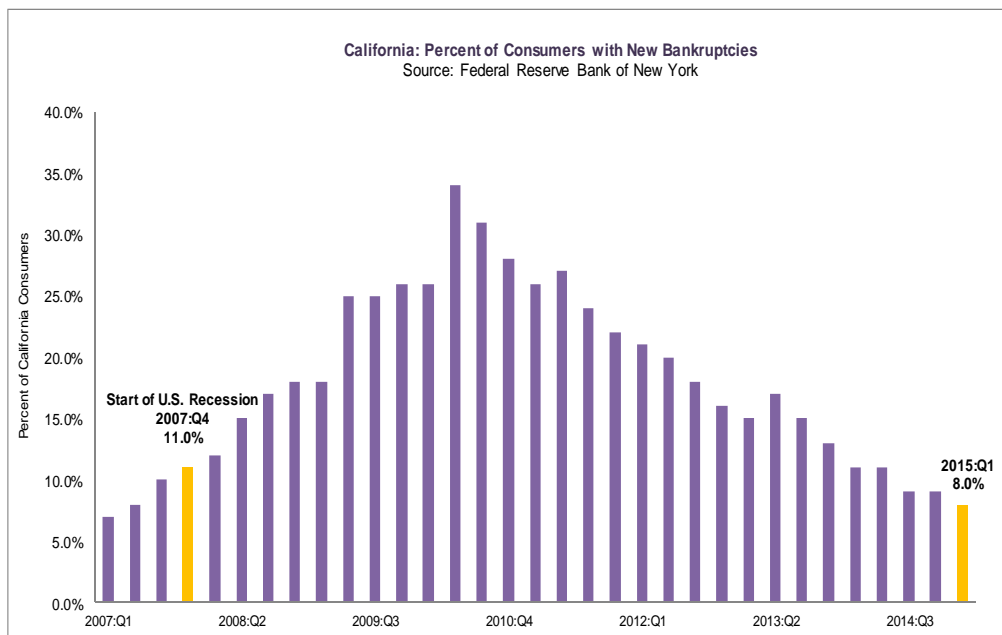
Mortgage-related debt accounted for the largest share of household debt in the first quarter of 2015. More than 75 percent of household debt in California was concentrated in mortgage and/or home equity installment loans.

The percentage of California consumers with new foreclosures has dropped by 20 percentage points since the start of the Great Recession (December 2007-June 2009).



In the first quarter of 2015, the percentage of California consumers with new foreclosures was 3.0 percent. The steady decline in this percentage reflects the impacts of tightening mortgage credit standards and an expanding state economy that has created over 1.6 million nonfarm jobs since the end of the recent recession.

In 2015, the percentage of California consumers with new bankruptcies had declined to levels seen before the start of the most recent recession.



California’s ongoing economic expansion (February 2010-present) has helped to temper the effects of some of the leading causes of bankruptcy which include: medical expenses, unemployment, and the inability to pay bills in a timely manner.

Economic Indicators Included In This Report

Household Debt Balance Per Capita

The Federal Reserve Bank of New York (FRBNY) uses detailed Equifax credit report data to produce a longitudinal panel of individuals and households for its analyses of household debt. The panel is a representative sample of individuals with a Social Security number and a credit report. The FRBNY's longitudinal database includes 44 million individuals each quarter. The components of household debt are as follows: mortgage accounts, home equity revolving accounts, auto loans, bank card loans, student loans, and other loan accounts.

Household Debt Per Capita by State = (Sum of Components of Household Debt) ÷ State Population

Composition of Household Debt Balance Per Capita

FRBNY analyzes the following types of consumer accounts to study household debt:

- *Mortgage accounts* include all mortgage installment loans, including first mortgages and home equity installment loans, both of which are closed-end loans.
- *Home Equity Revolving accounts*, unlike home equity installment loans, are home equity loans with a revolving line of credit where the borrower can choose when and how often to borrow up to an updated credit limit.
- *Auto loans* are loans taken out to purchase a car that are provided by banking and auto financing institutions.
- *Bankcard accounts* (or credit card accounts) are revolving accounts for banks, bankcard companies, national credit card companies, credit unions and savings and loan associations.
- *Student loans* include loans to finance educational expenses provided by banks, credit unions, and other financial institutions as well as federal and state governments.
- The *Other* category includes consumer finance (sales financing, personal loans) and retail (clothing, grocery, department stores, home furnishings, gas etc.) loans within the last three months.

Economic Indicators Included In This Report

Percent of Consumers with New Foreclosures

The FRBNY partners with Equifax to produce consumer foreclosure data on a quarterly basis. This dataset measures the number of individuals with foreclosures first appearing on their credit report during the past three months. This information is based upon foreclosure information provided by lenders (e.g., account level foreclosure data), as well as, through public records. Please note: since borrowers may have multiple real estate loans, this measure is conceptually different from foreclosure rates cited in the media.

Percent of Consumers with New Bankruptcies

The FRBNY partners with Equifax to produce bankruptcy data on a quarterly basis. This dataset measures the number of new bankruptcies first reported during the past three months. This information is based upon publicly available data and bankruptcy information provided by lenders.



State of California

Labor and Workforce Development Agency

Employment Development Department

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, and/or alternate forms need to be made by calling 916-262-2166 (voice). TTY users, please call the California Relay Service at 711.