

## Family Lifecycle Stage and Consumer Debt among Homeowners and Renters

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Considering the increase in the total amount of consumer debt and the changes in the compositions of U.S. households over the past decades, this study examined the factors related to the likelihood of holding consumer debt and the amount of total debt by focusing on the family lifecycle stage of households. Since mortgage loans lead to substantial differences in the likelihood of holding debt and the amount of debt, this study analyzed homeowners and renters separately. Analyses of a combined dataset of the 2016 and 2019 Survey of Consumer Finances showed that both the percentage of households holding debt and the average amount of debt were higher for homeowners than renters, and the largest lifecycle category was empty nest households for homeowners and mature singles for renters. Mature singles were less likely to hold debt and had a smaller amount of debt than other lifecycle stages regardless of homeownership. Logistic regressions on whether a household has any debt were conducted respectively on 7,730 homeowners and 4,295 renters. Later, OLS regressions on the logarithm of the total amount of debt were conducted respectively on 6,374 homeowners with debt and 2,871 renters with debt. Multivariate results indicated that family lifecycle stage, liquidity constraint, prudence, attitude toward credit, expectations for the economy, socioeconomic status, and financial characteristics have both similar and different effects on homeowners' and renters' likelihood of holding debt and their amount of debt. Whereas homeowners in all other lifecycle stages except for young singles were more likely to hold debt than mature singles, only renters in the childless young couple stage and full nest I and II stages were more likely to have debt than mature singles. Additionally, all other seven lifecycle stages held significantly larger amounts of debt than mature singles among both homeowners and renters. These findings ascertain specific types of households that need more policy or research attention regarding consumer debt and have implications for targeting consumer education.

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