American Household Debt Approaching $14 Trillion

Original article

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New statistics released by the Federal Reserve Bank of New York found that American households had nearly $14 trillion worth of household debt. As of Q2 2019, American households had $9.81 of housing debt, and $4.06 trillion of non-housing debt.

Over the past decade while housing debt has remained relatively consistent ($9.78 trillion as of Q2 2009) there has been a large increase in non-mortgage debt. This figure increased from $2.63 trillion to $4.06 trillion between the years 2009-2019.

Non-mortgage debt includes credit card debt, student loan debt, auto debt, consumer finance debt, retail debt, etc. This category of debt has seen a dramatic increase over the last decade which, combined with rising interest rates, has put a strain on the American debtor.

On the other end of the spectrum, there is a class of moneylenders that profits off the interest payments made by debtors. American households suffer under the dominance of finance capital to own their own homes, cars, and even daily household spending.

Under the capitalist economic system, even the basic necessities of life are made commodities and are sold for a profit. Those who lack large sums of money, the workers, go into debt to the capitalists to finance purchases. Only the Marxist-Leninist understanding of the economy elucidates the dialectical relationship between lenders and debtors and also the capitalist and working class.

Sources: 1,2,3

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