

# Northwestern Mutual Study Finds Americans Who Carry Personal Debt Owe an Average of \$21,800 Exclusive of Mortgages

*Overall average is \$8,000 lower than it was in 2019, but 35% of Americans say they're carrying close to or at their highest level of debt ever while 43% say their debt is close to or at a historic low*

*Credit cards account for more than double any other single source of personal debt*

*People with personal debt say 30% of their monthly income goes toward paying it off, and most expect to remain in debt for years*

MILWAUKEE, July 10, 2023 /PRNewswire/ -- The average American's personal debt exclusive of mortgages is \$21,800, which is \$8,000 less than what people reported in 2019. But underneath that topline number is a second story, about two very different experiences with debt. More than a third (35%) of Americans say they're carrying close to or at their highest level of debt ever. At the same time, more than four in ten (43%) U.S. adults who have personal debt say they're currently carrying close to or at their lowest level of debt ever. These are the latest findings from [Northwestern Mutual's 2023 Planning & Progress Study](#).

"At a time of high inflation and economic uncertainty, it's encouraging to see personal debt levels have held relatively steady year-over-year, and even ticked down a little," said Christian Mitchell, chief customer officer at Northwestern Mutual. "That said, it can be a slippery slope between manageable debt and runaway debt so it's an important time to remain extra vigilant about planning and spending."

Americans' Personal Debt, Exclusive of Mortgages	
2023	\$21,800
2022	\$22,354
2021	\$23,325
2020	\$26,621
2019	\$29,800

The primary source of personal debt in America can be found right in people's wallets. According to the study, credit cards account for more than double any other single source of personal debt.

Top Source of Personal Debt	2023
Credit cards	28 %
Car loans	12 %
Medical debt	7 %
Home equity loans / lines of credit	6 %
Personal education loans	5 %
Educational expenses for children / family members	3 %

People who carry personal debt say 30% of their monthly income goes toward paying it off, and most also expect to remain in debt for years.

How Long People Expect to Be in Debt	2023
1-5 years	49 %
6-10 years	21 %
11-20 years	8 %
For the rest of my life	10 %
Don't know	12 %

### Discovering a Debt Divide

The research finds that more than four in 10 (43%) U.S. adults who have personal debt say they're currently carrying close to or at their lowest level of debt ever. At the same time, more than a third (35%) say they're carrying close to or at their highest level of debt ever.

"This is a reminder that debt trends aren't uniform, and everyone's personal circumstances are different," said Mitchell. "More people feel like they're moving in the right direction than those who do not, but there's still a sizable universe of people carrying more debt than ever. No matter where you are on that spectrum, it's important to be proactive and intentional about how debt is managed, and where it fits within a broader long-term financial plan."

With respect to priorities, the research found that most people's instincts are to get out of debt before building savings. Sixty-one percent say they prioritize [paying down debt](#) versus 39% who put saving first.

### Student Loans Weigh Heavily on Gen Z and Millennials

The study results indicate that student debt still weighs heavily on younger generations. Overall, 5% of survey participants cited personal education loans as their top source of debt. For Gen Z, it's more than triple that (17%) and for Millennials it's double (10%).

Student Loans as the Top Source of Personal Debt	2023
Generation Z	17 %
Millennials	10 %
All	5 %
Generation X	3 %
Boomers+	1 %

"There are productive ways to incorporate debt into a financial strategy, and student loans are a good example of that as they often result in long-term upsides," said Mitchell. "But still, it's critical to have a holistic strategy and a debt repayment plan that accounts for a diverse set of financial goals."

In forthcoming data sets, the 2023 Planning & Progress Study will explore wide-ranging issues facing Americans spanning professional advice, inter-generational conversations, financial wellness and more.

### About The 2023 Northwestern Mutual Planning & Progress Study

The 2023 Planning & Progress Study was conducted by The [Harris Poll](#) on behalf of Northwestern Mutual among 2,740 U.S. adults aged 18 or older. The survey was conducted online between February 13 and March 2, 2023. Data are weighted where necessary by age, gender, race/ethnicity, region, education, marital status, household size, household income, and propensity to be online to bring them in line with their actual proportions in the population. A complete survey methodology is available.

### About Northwestern Mutual

Northwestern Mutual has been helping people and businesses achieve financial security for more than 165 years. Through a comprehensive planning approach, Northwestern Mutual combines the expertise of its financial professionals with a personalized digital experience and industry-leading products to help its clients plan for what's most important. With more than \$570 billion of total assets being managed across the company's institutional portfolio as well as retail investment client portfolios, nearly \$35 billion in revenues, and \$2.2 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than five million people with life, disability income and long-term care insurance, annuities, and brokerage and advisory services. Northwestern Mutual ranked 111 on the 2023 *FORTUNE* 500.

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