

Americans owe a record \$1 trillion in credit card debt

Credit card debt hit \$1 trillion for the first time on record, according to new data, a troubling development as interest rates and delinquencies also rise.

Total balances on credit cards and other revolving accounts reached \$1 trillion the week of July 26, up from \$998 billion the prior week, the Federal Reserve Bank of St. Louis reported Friday.

That's the highest level on record and \$193.4 billion more than the start of the year and \$264 billion above the \$736 billion in April 2021, the lowest level since the onset of the pandemic.

The increase in indebtedness comes as interest rates on credit cards remain near 40-year highs and delinquencies, especially among younger borrowers, increase. And with the federal student loan forbearance set to end this fall, millions of Americans may find themselves relying on credit even more.

"Consumers are going to have to resume their payments of federal student loans soon," VantageScore President and CEO Silvio Tavares told Yahoo Finance. "The problem is that if they haven't had to pay a loan for three years, a lot of people don't have that money in their budget."

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