

# Sunbelt States Drowning in Debt While Midwest Keeps Its Head Above Water

*National Business Capital's Report on U.S. States Most Impacted by Household Debt Reveals Stark Divide*

HAUPPAUGE, N.Y., Oct. 17, 2023 /PRNewswire/ -- High growth sunbelt states, including Florida, Utah, Arizona, Colorado, and Nevada, grapple with surging household debt, while the Midwest handles debt significantly better. This regional disparity in household finances was a key takeaway from the [study: "The U.S. States Most Impacted By Household Debt 2023,"](#) just published by [NationalBusinessCapital.com](#).

TOP 10 STATES MOST IMPACTED BY HOUSEHOLD DEBT 2023



10 States With Highest Household Debt 2023

THE LEAST HOUSEHOLD DEBT-BURDENED STATES



10 States With Lowest Household Debt

The fintech lending platform for business owners discovered that as inflation and consumer demand surge, many households in high-growth Sunbelt states find themselves caught in a debt spiral. By contrast, the Midwest's prudent financial practices and lower living costs have shielded its residents from the worst of these economic challenges.

**NationalBusinessCapital.com's** comprehensive report sheds light on this pattern, revealing the financial health of different regions across the nation.

The full study is available [HERE](#):

## Key Findings

- **High Growth Sunbelt States Are Under Fiscal Stress:** Explosive growth in states like Florida, Utah, Arizona, Colorado, and Nevada has led to significant mortgage and credit card burdens, particularly for lower-income households.

- **The Heartland Shows Fiscal Restraint:** In contrast, households in the Rust Belt, interior South, and Plains states exhibit remarkable restraint in credit card spending, benefiting from lower housing demand and prices.
- **Auto Loans Are Stressing Otherwise Low-Cost States:** States like Texas, Georgia, and Florida face high auto loan obligations due to elevated car prices, including used vehicles.
- **Household Debt Exceeds Income in All But One State:** The report highlights that household debt surpasses income in nearly every state, underscoring the widespread financial strain experienced by American households. New York stands as the sole exception, operating with a debt-to-income ratio below 1, reflecting the immense financial pressure faced nationwide.

### **THE U.S. STATES MOST IMPACTED BY U.S. DEBT 2023:**

- #1. Maryland
- #2. Colorado
- #3. Nevada
- #4. Virginia
- #5. Arizona
- #6. Florida**
- #7. Utah
- #8. Alaska
- #9. California
- #10. Delaware

### **THE U.S. STATES LEAST IMPACTED BY HOUSEHOLD DEBT 2023:**

- #40. (tie) Michigan
- #40. (tie) South Dakota
- #42. (tie) Ohio
- #42. (tie) Nebraska
- #44. Kansas
- #45. Indiana
- #46. West Virginia
- #47. Arkansas
- #48. Wisconsin
- #49. Iowa
- #50. Kentucky

### **Methodology**

To create the rankings, researchers selected six metrics to understand each state's household debt burden. Within each metric, the state with the least debt was given a rank of 0, while the state with the most debt was given a rank of 100. Each metric was multiplied by a selected weight, then added together to create an overall score for each state.

Here are the six metrics, along with the percentage used to calculate the weight of each metrics. Weights for debt were selected based on the prevalence of the type of debt.

**Credit Card Debt** (24%)  
**Auto Debt** (15%)  
**Mortgage Debt** (22%)  
**Student Loan Debt** (7%)  
**Medical Debt** (12%)  
**Debt-to-income ratio** (20%)

"As people move to sunnier, high growth regions, they're taking on more debt," says **Brian Chevalier-Jordan, Chief Marketing Officer, [NationalBusinessCapital.com](https://www.nationalbusinesscapital.com)**. "We'll see whether trading the cold for debt is worth it over time."

### **About NationalBusinessCapital:**

**NationalBusinessCapital** helps entrepreneurs secure quick and fair financing to save time and cultivate sustainable growth.

Our stress-free online platform is designed for simplicity and speed, helping business owners go from application to approval in a matter of hours. From SBA loans to lines of credit, equipment financing, and more, business owners can access all the different financing programs available to them in one place. Through our streamlined process, we have helped clients secure \$2 billion in financing since 2007.

For more information on this list and this topic, please contact **Sarah Johnson, [367037@email4pr.com](mailto:367037@email4pr.com)**.

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