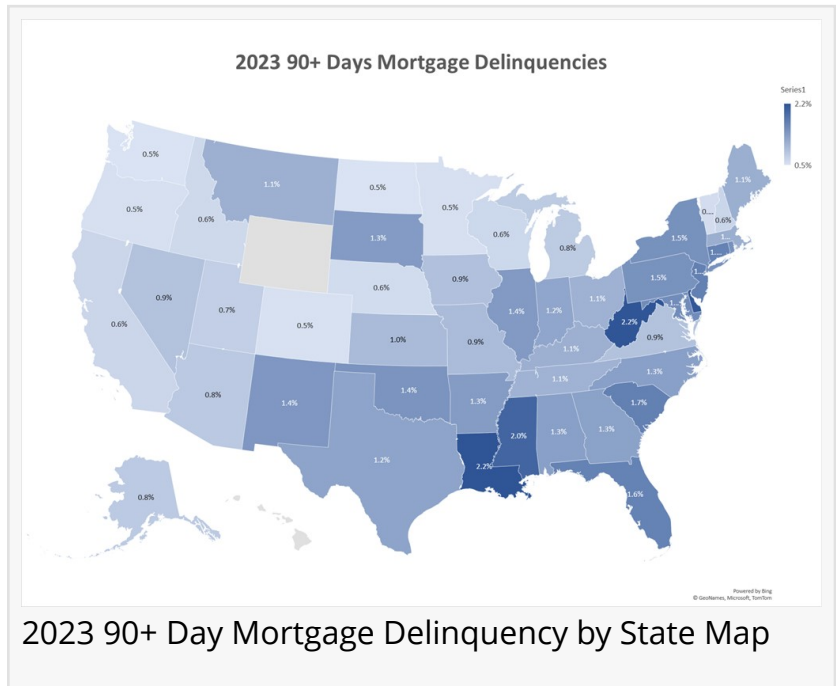


New Study: Inflation Will More Than Double “Seriously Delinquent” Mortgages in 2023

Inflation will more than double seriously delinquent mortgages in 2023 impacting 580,000 households and 1.6 million household members – the most since 2016.

ORLANDO, FL, UNITED STATES, January 24, 2023 /EINPresswire.com/ -- Jackson Associates today announced results of a new study that predicts household inflation will more than double “seriously delinquent” mortgages by the end of 2023 to 580,000, a level not seen since 2016. Mortgages that are 90+ days or more in arrears are considered “seriously delinquent” and usually trigger lender foreclosure actions.



“2023 is the year that households exhaust Covid income payments and increasingly rely on credit cards and consumer loans to maintain living standards in the face of 40-year high inflation. Unfortunately, 580,000 households will no longer be financially able to make timely mortgage payments with 90+ day delinquencies impacting more than 1.6 million family members “said Jerry Jackson, an economist and study author. “Households will begin facing the unpleasant reality that they are back in a pre-COVID financial position that has deteriorated because inflated costs of living have significantly outstripped wage gains.”

A white paper describing the study and results is available at <https://maisyy.com/seriously-delinquent-mortgages.htm>.

2023 delinquency estimates are based on an econometric model that statistically relates delinquencies to reductions in household net income (additional expenditures caused by inflation minus income increases) since 2019. The average US household mortgagor net income loss will be \$16,442 by the end of 2023, - about 13 percent of average mortgagor 2023 household income or 1-1/2 month’s annual income. That is, even after accounting for wage/income increases, the average mortgagor will have lost the equivalent of 1-1/2 month’s

income from 2019 to the end of 2023.

The US 90+ day delinquency rate is estimated to increase to 1.13 percent by the end of 2023 from its current rate of 0.5 percent. Delinquencies in Louisiana, West Virginia, Delaware, and Mississippi are expected to exceed 2.0 percent while South Carolina, New Jersey, Florida, Connecticut, Maryland, and Rhode Island round out the top ten states with rates equal to or exceeding 1.5 percent.

Data on delinquency rates for all states are available in the white paper. Data on 2023 90+ day delinquency rates for 466 of the largest US counties is available on request from the author.

The econometric model applies county level data from the US Consumer Finance Protection Agency, US Commerce Department Bureau of Economic Analysis data on income, food and discretionary consumer expenditures, MAISY Residential Utility Customer Energy Use Database data on commuting gasoline and utility energy costs, Department of Agriculture forecasts of food price increases and Department of Energy forecasts of energy price increases through 2023 to estimate 2023 delinquency rates.

About the Author

Dr. Jerry Jackson is an economist and former Signature Professor at Texas A&M University, Chief of the Applied Research Divisions at Georgia Tech Research Institute and economist at Oak Ridge National Laboratory and the Federal Reserve Bank of Chicago.

He is also President of Jackson Associates (JA) and the author of MAISY Residential and Commercial Utility Customer Energy Use and Hourly Load Databases consisting of over 7 million customer records including individual customer annual, monthly, and hourly energy use along with residential socio-economic and commercial business data items. He counts more than 200 government and private organizations as consulting clients.

MAISY data have been used by the US Department of Energy in analysis supporting appliance efficiency standards, by state regulatory agencies from Texas to New York, and by dozens of solar, CHP, battery and other energy equipment manufacturers, utilities, and retail electricity providers. Dr. Jackson has provided testimony in a variety of state and provincial hearings as an expert witness.

A partial list of JA clients is available at <https://maisy.com/clients.htm>.

Jerry Jackson
Jackson Associates
+ 19792047821
jjackson@maisy.com

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