

## Macro Roundup Article

**Headline:** [The Economic Fallout of Student Loan Forbearance Ending](#)

**Article Link:** <https://www.apricitas.io/p/the-economic-fallout-of-student-loan>

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**Tweet:** The resumption of student loan payments has coincided with a 1.5% drop in real retail spending for 25-34-year-olds, vs. growth of 2.5-4.2% for other age groups. @JosephPolitano.

**Summary:** This October, for the first time in more than 3 years, Americans were once again required to make payments on their \$1.5T of outstanding Federal student debt. Starting in August, payments to the US Department of Education, most of which represent student loans, surged back to about their pre-pandemic rate of more than \$75B annualized, up from the extreme lows of less than \$13B annualized seen just months prior. Perhaps most importantly for the broader economy, America's youngest households have made a substantial cutback in their consumption as student loan payments resume. Since the start of September, real retail spending by those 25-34 years old has fallen by 1.5% at the same time it has risen by between 2.5%-4.2% for all other age groups. However, this recent effect was concentrated among the young with the broader population of all former college attendees regardless of age not seeing a commensurate decrease in spending. Related: Debt Moratoria: Evidence from Student Loan Forbearance and The Economic Impact of the Student Loan Restart and Credit Card Delinquencies Continue to Rise—Who Is Missing Payments?

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, Fiscal Policy, GDP, Government Spending, Op-Ed/Blog Post, Politics

**Permalink:** <https://www.edwardconard.com/macro-roundup/the-resumption-of-student-loan-payments-has-coincided-with-a-1-5-drop-in-real-retail-spending-for-25-34-year-olds-vs-growth-of-2-5-4-2-for-other-age-groups-josephpolitano?view=detail>

**Featured Image Link:** <https://www.edwardconard.com/wp-content/uploads/2023/12/Monthly-Payments-To-DOE.png>