



TEXAS

“Texas’ economy continued to expand in March. Employment growth was solid but moderated from earlier in the year. First-quarter job growth was strong, and payroll gains were seen in most major Texas metros.

In March, unemployment remained flat for a second month, and the Texas Leading Index rose slightly. Oil prices fell the third week of April, while the rig count edged up.

Construction contract values fell for the third straight month in March based on a five-month moving average.” – May 2023 – Texas Economic Indicators – Dallas Fed

AUSTIN

“Austin’s economy showed signs of cooling in February as unemployment ticked up, **layoffs rose** and employment sectors broadly declined. Semiconductor manufacturing employment decelerated, though the industry’s long-run outlook remains positive. Meanwhile, **wages continued to rise.**” – Apr 2023 – Austin Economic Indicators – Dallas Fed

UNITED STATES

“Consumer spending in the first two months of Q1 was up substantially over the Q4 average. Real disposable income was also up sharply. Housing starts were down sharply over the year.

Payroll growth was solid in March and the unemployment rate fell to a very low level. The increase in hourly earnings, measured over the year, continued its modest easing that started in March 2022.

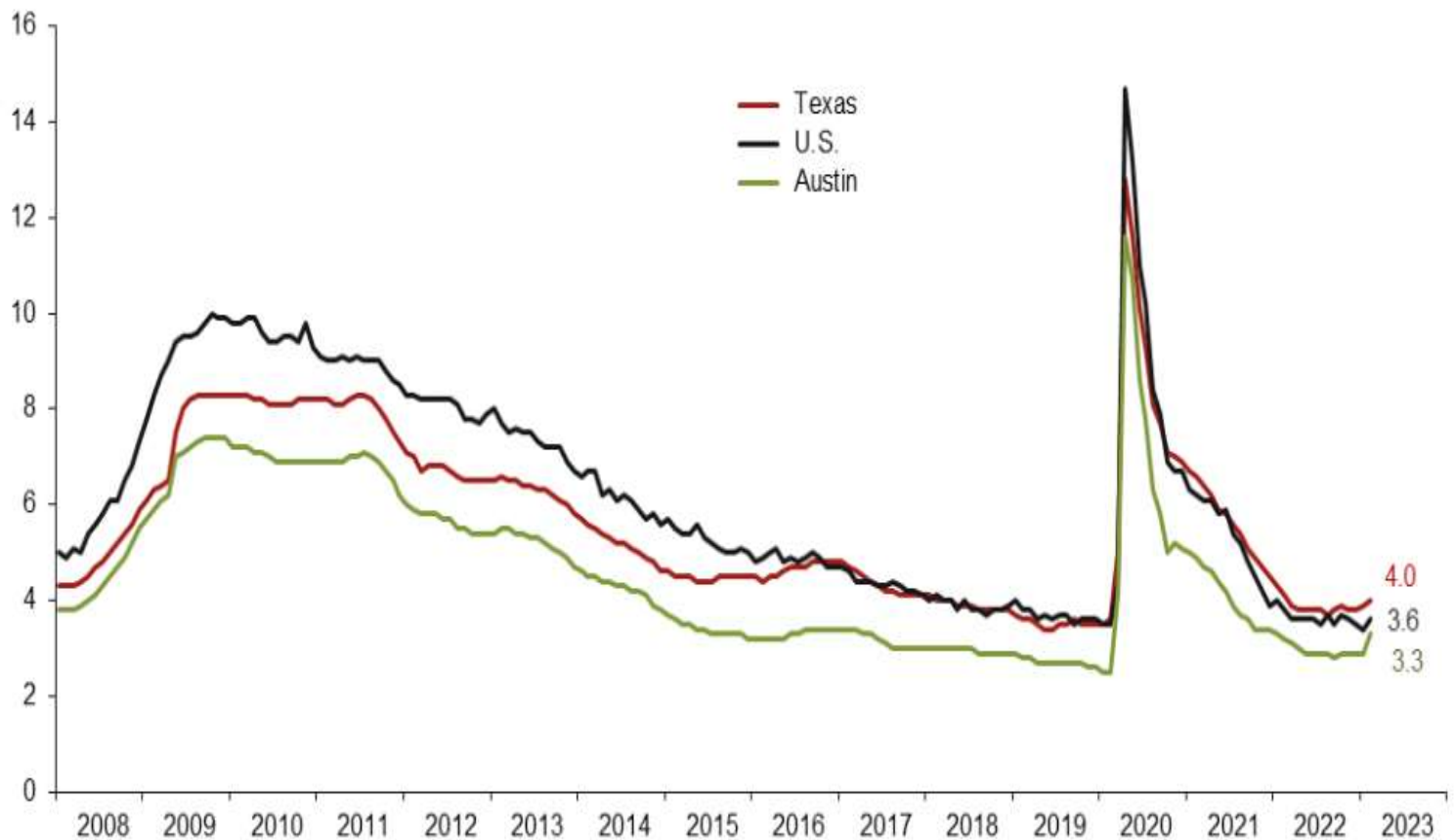
Core PCE inflation over the year was little changed in February, as was core CPI inflation in March. High apartment rent inflation showed tentative signs of easing in March and food inflation eased significantly. **Gasoline prices were down over the year,** while prices for electricity and utility gas were up.” – Apr 2023 – U.S. Economy in a Snapshot – NY Fed

JOBS – UNEMPLOYMENT RATES – AUSTIN MSA, TEXAS, U.S.

“Austin’s unemployment index increased to 3.3 percent in February. However, the rise was largely due to the metro-area labor force continuing to grow, up an annualized 4.6 percent in February and a revised 11.0 percent in January. The Austin unemployment rate is lower than the state’s rate of 4.0 percent and the nation’s rate of 3.6 percent.” – Apr 2023 – Austin Economic Indicators – Dallas Fed

Unemployment rate

Percent, seasonally adjusted



SOURCE: Bureau of Labor Statistics.

Provided by Federal Reserve of Dallas – Austin Economic Indicators – Apr 2023

JOBS – EMPLOYMENT GROWTH BY SECTOR – AUSTIN

“Austin employment [growth] declined 2.0 percent in February as most sectors lost jobs. The biggest decliners were construction and mining (9.8 percent, or 668 jobs) and other services (9.7 percent, or 421 jobs). Leisure and hospitality (3.7 percent, or 452 jobs) and government (1.6 percent, or 242 jobs) were the only sectors to experience growth in February.” – Apr 2023 – Austin Economic Indicators – Dallas Fed

Employment growth by sector



NOTE: Data show seasonally adjusted and annualized percentage employment growth by industry. Numbers in parentheses represent the share of total employment and may not sum to 100 due to rounding.

SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

Provided by Federal Reserve of Dallas – Austin Economic Indicators – Apr 2023

JOBS – PRIVATE SECTOR AVERAGE HOURLY EARNINGS – AUSTIN

“The three-month moving average of Austin wages increased an annualized 8.4 percent in February. Austin’s hourly earnings were \$33.71, remaining above the state average of \$30.91 and the national average of \$33.01. In the past year, Austin wages have risen 5.1 percent, more than the nation’s 4.6 percent increase but less than the state’s growth of 6.2 percent.” – Apr 2023 – Austin Economic Indicators – Dallas Fed

Private sector average hourly earnings

Dollars per hour*



*Seasonally adjusted, three-month centered moving average.

SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

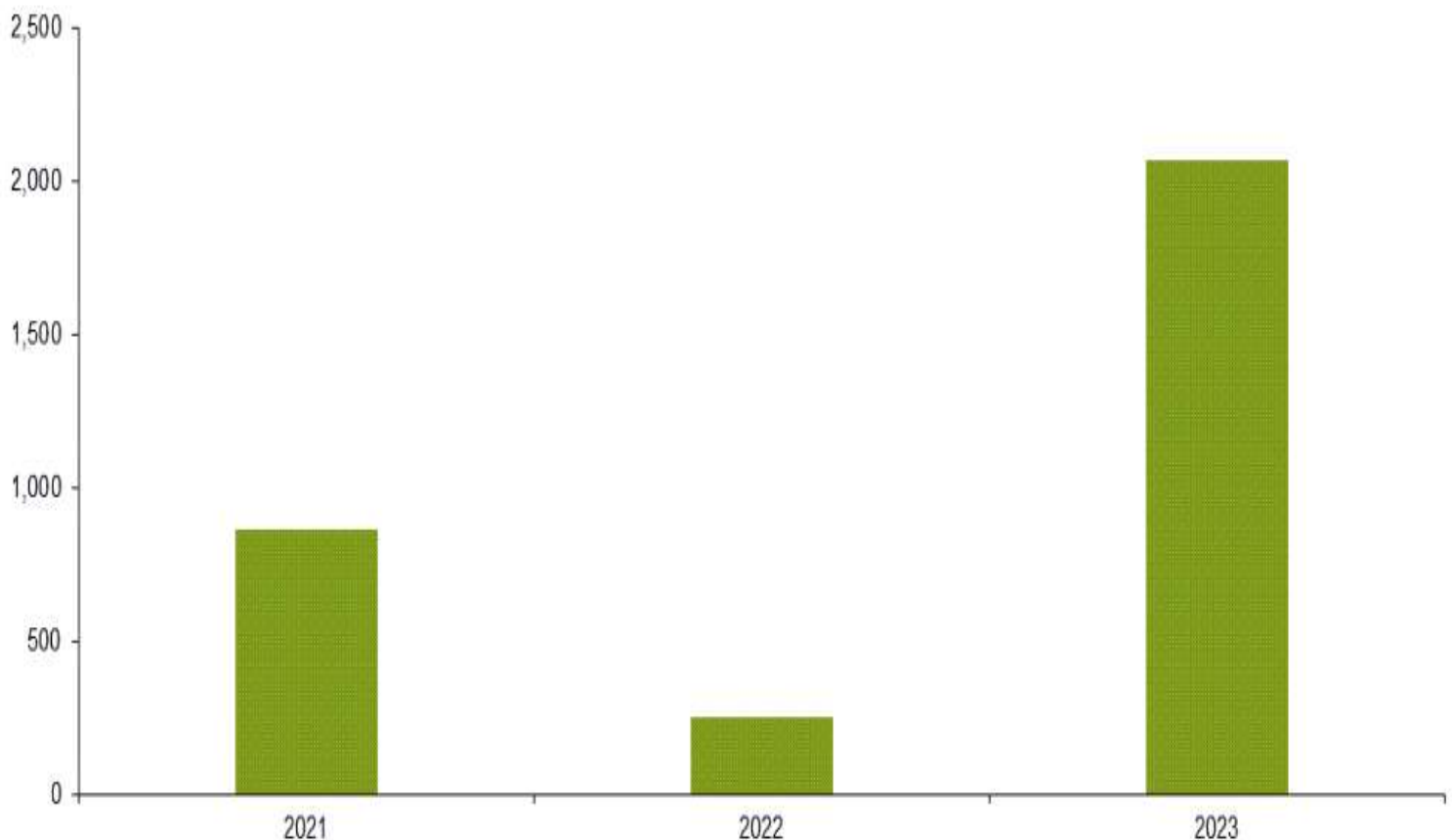
Provided by Federal Reserve of Dallas – Austin Economic Indicators – Apr 2023

JOBS – NOTICES OF CLOSURES OR LAYOFFS – AUSTIN

“As of April 3, a total of 2,074 layoffs have been announced this year in Travis County, greater than in 2022 and 2021 combined. This has largely been driven by the tech sector and related companies as market uncertainty and interest rates have increased.” – Apr 2023 – Austin Economic Indicators – Dallas Fed

Notices of closures or layoffs (WARN notices)

Number laid off



NOTE: Data reflect the date of actual layoff, not when the notice was received. Data are as of April 3, 2023.

SOURCE: Texas Workforce Commission.

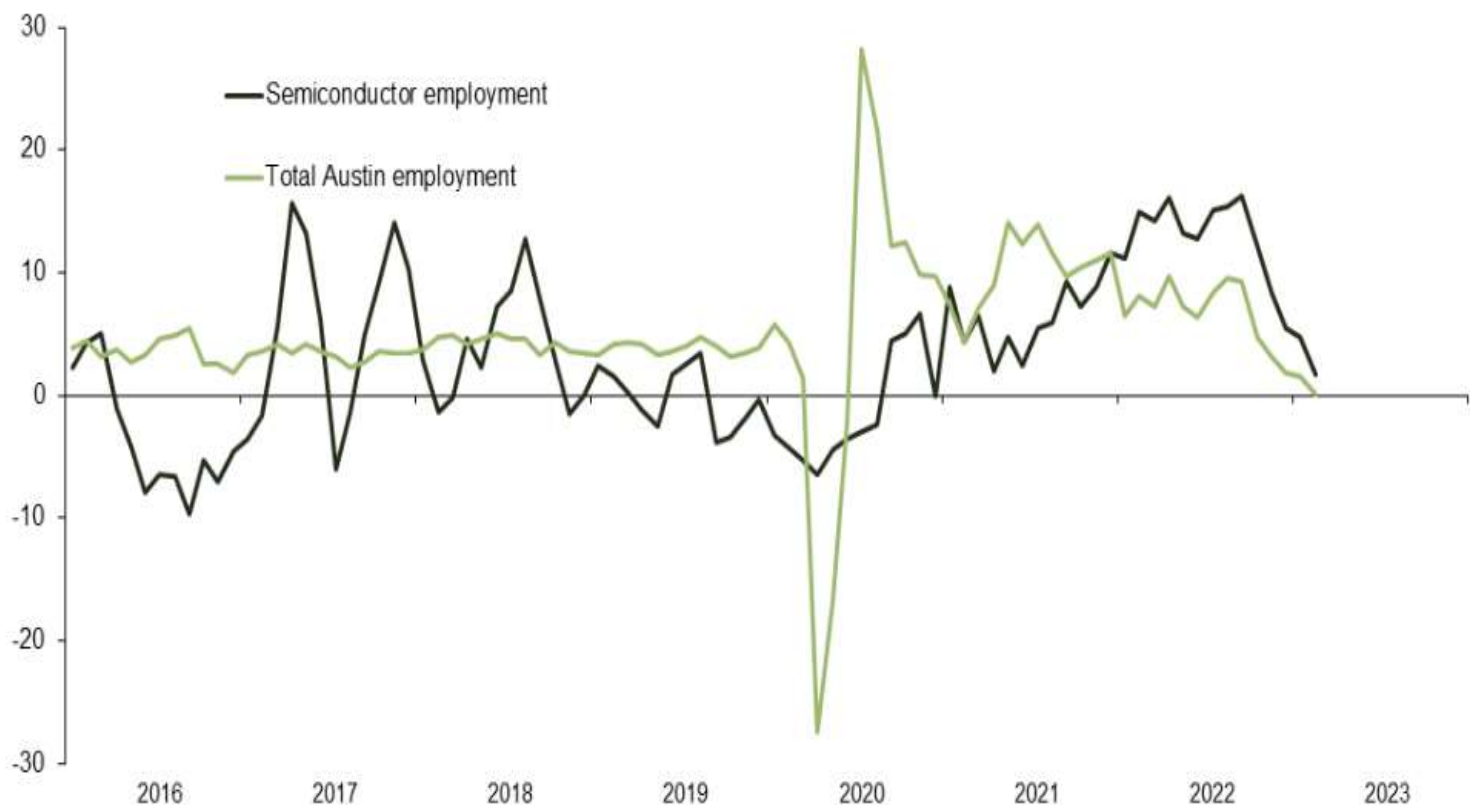
Provided by Federal Reserve of Dallas – Austin Economic Indicators – Apr 2023

JOBS – SEMICONDUCTOR MANUFACTURING EMPLOYMENT – AUSTIN

“Austin semiconductor manufacturing jobs grew 1.4 percent in February, based on a three-month moving average, slower than growth in January but stronger than the flat growth for the rest of the local economy. The long-run outlook for the industry is positive, with greater investment from the state to lure electric vehicle chip and other semiconductor manufacturers to Texas and recent growth such as Samsung’s plant in Taylor.” – Apr 2023 – Austin Economic Indicators – Dallas Fed

Semiconductor manufacturing employment

Percent change, month/month*



*Seasonally adjusted, three-month moving average, annualized.

NOTE: Data are through February 2023 for the Austin metro area.

SOURCE: Bureau of Labor Statistics, Texas Workforce Commission, adjustments by the Dallas Fed.

Provided by Federal Reserve of Dallas – Austin Economic Indicators – Apr 2023

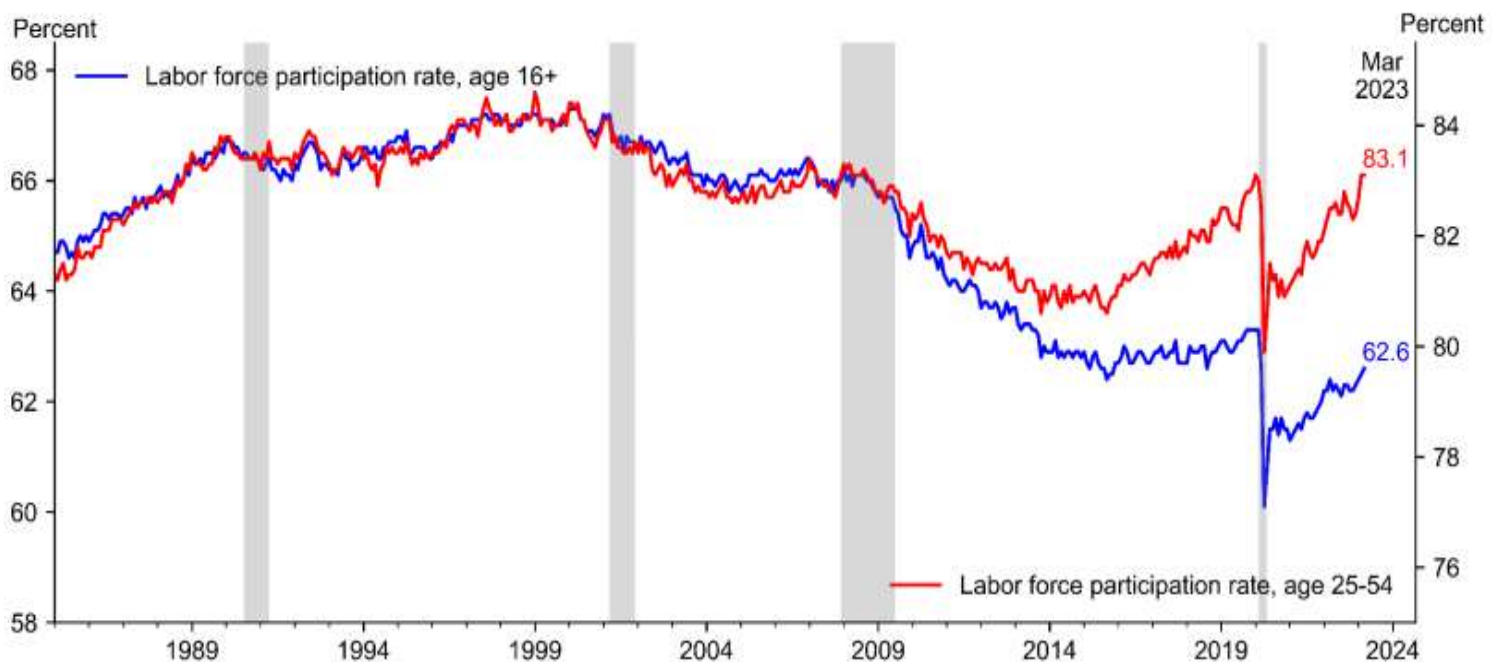
JOBS – LABOR PARTICIPATION RATE IN THE U.S.

“The labor force participation rate, at 62.6 percent, continued to trend up in March. The employment-population ratio edged up over the month to 60.4 percent. These measures remain below their pre-pandemic February 2020 levels (63.3 percent and 61.1 percent, respectively.)

The number of persons employed part time for economic reasons was essentially unchanged at 4.1 million in March. These individuals, who would have preferred full-time employment, were working part time because their hours had been reduced or they were unable to find full-time jobs.

The number of persons not in the labor force who currently want a job was little changed at 4.9 million in March and has returned to its February 2020 level. These individuals were not counted as unemployed because they were not actively looking for work during the 4 weeks preceding the survey or were unavailable to take a job.” – The Employment Situation – Bureau of Labor Statistics

Labor Force Participation



SOURCES: Bureau of Labor Statistics.

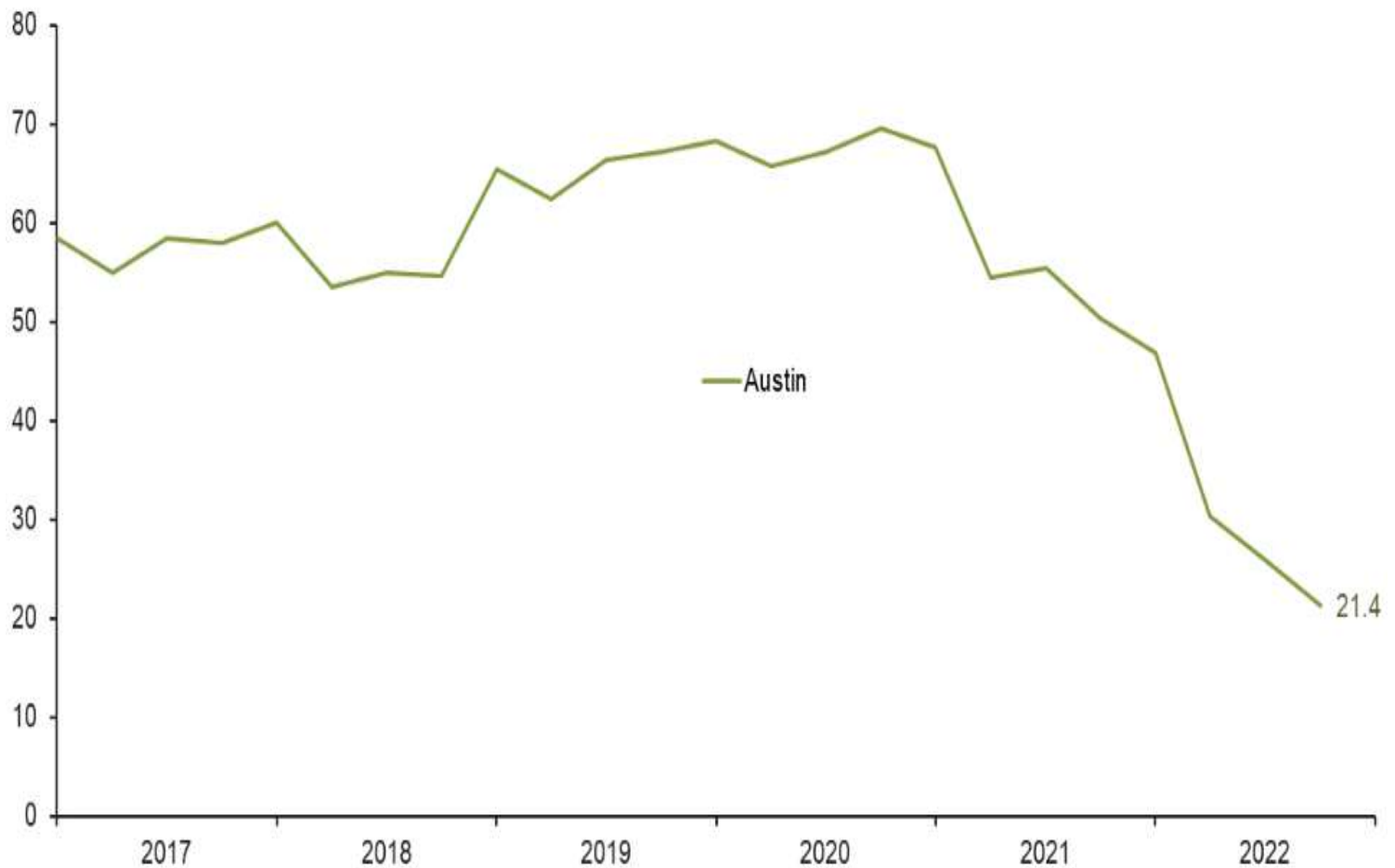
Provided by Federal Reserve of Dallas – U.S. Economy Charts – Apr 2023

HOUSING OPPORTUNITY INDEX - AUSTIN

“In fourth quarter 2022, the Austin metro’s Housing Opportunity Index dropped 4.6 percent to 21.4 percent. The index, which reflects the percentage of homes sold that are affordable to the median-income earner in Austin, sank 28.9 percent overall in 2022. This is indicative of higher home prices and higher mortgage rates.” – Mar 2023 – Austin Economic Indicators – Dallas Fed

Housing Opportunity Index

Percent of homes that are affordable



NOTE: Data are through fourth quarter 2022.

SOURCE: National Association of Home Builders/Wells Fargo.

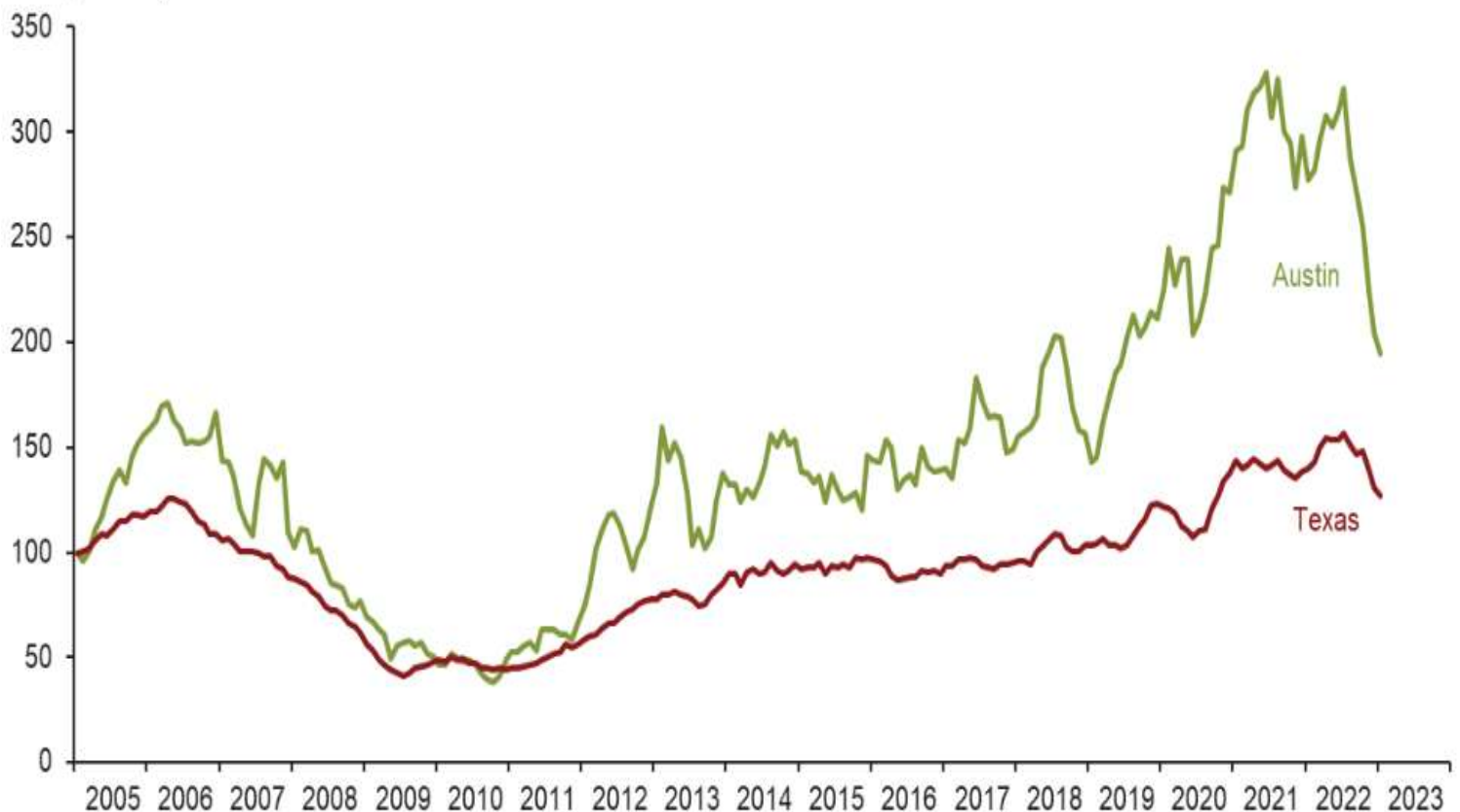
Provided by Dallas Federal Reserve – Austin Economic Indicators – Mar 2023

HOUSING PERMITS - AUSTIN

“Austin’s single-family home permits plummeted an annualized 96.1 percent in January. That followed a decrease of 52.6 percent in 2022, most of it in the fourth quarter. Texas saw permits decline an annualized 41.8 percent in January.” – Mar 2023 – Austin Economic Indicators – Dallas Fed

Housing permits

Index, January 2005 = 100*



*Seasonally adjusted; five-month moving average.

SOURCE: Census Bureau.

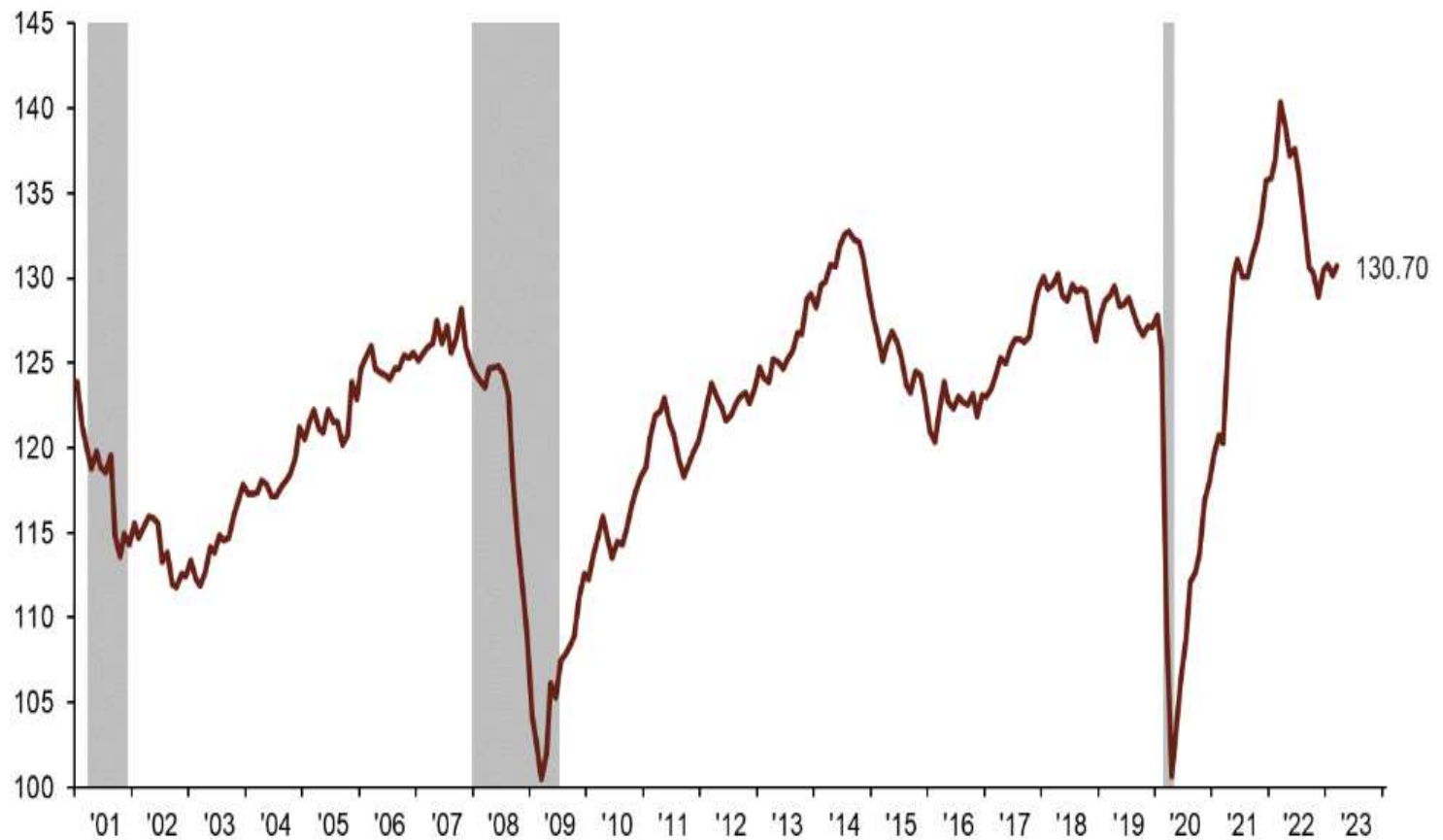
Provided by Dallas Federal Reserve – Austin Economic Indicators – Mar 2023

LEADING INDEX – TEXAS

“The Texas Leading Index, a composite of eight leading indicators that sheds light on the future of the state’s economy, increased slightly to 130.7 in March. The three-month change was positive due to an increase in average weekly hours and a decrease in new unemployment claims and the Texas value of the dollar (which makes the state’s exports less expensive abroad).” – May 2023 – Austin Economic Indicators – Dallas Fed

Texas leading index

Index, 1987 = 100*



*Seasonally adjusted.

NOTE: Gray bars show U.S. recessions.

SOURCE: Dallas Fed.

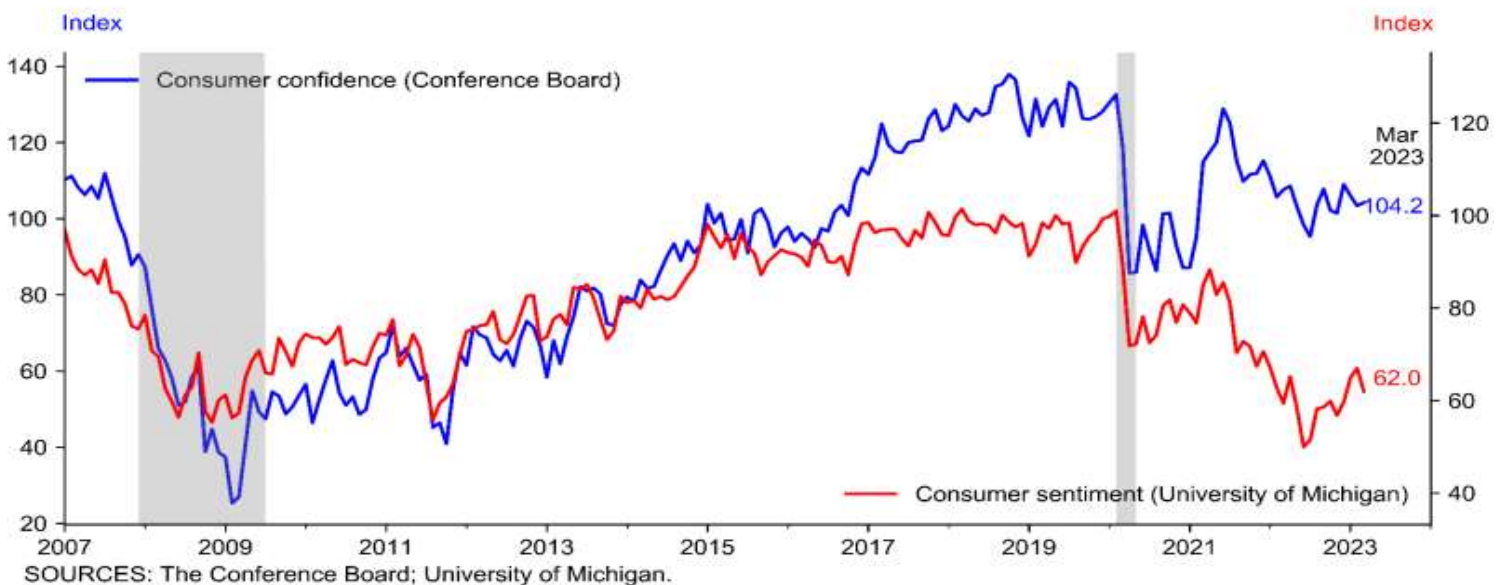
Provided by Federal Reserve of Dallas – Texas Economic Indicators – May 2023

CONSUMER CONFIDENCE AND SENTIMENT – U.S.

“Driven by an uptick in expectations, consumer confidence improved somewhat in March, but remains below the average level seen in 2022 (104.5). The gain reflects an improved outlook for consumers under 55 years of age and for households earning \$50,000 and over,” said Ataman Ozyildirim, Senior Director, Economics at The Conference Board. “While consumers feel a bit more confident about what’s ahead, they are slightly less optimistic about the current landscape. The share of consumers saying jobs are ‘plentiful’ fell, while the share of those saying jobs are ‘not so plentiful’ rose. The latest results also reveal that their expectations of inflation over the next 12 months remains elevated—at 6.3 percent. Overall purchasing plans for appliances continued to soften while automobile purchases saw a slight increase.” – Mar 2023 – The Confidence Board

“Consumer sentiment fell for the first time in four months, dropping about 8% below February but remaining 4% above a year ago. This month’s turmoil in the banking sector had limited impact on consumer sentiment, which was already exhibiting downward momentum prior to the collapse of Silicon Valley Bank. Overall, our data revealed multiple signs that consumers increasingly expect a recession ahead.” “Year-ahead inflation expectations receded from 4.1% in February to 3.6%, the lowest reading since April 2021, but remained well above the 2.3-3.0% range seen in the two years prior to the pandemic.” – Mar 2023 – Survey of Consumers – University of Michigan

Consumer Confidence

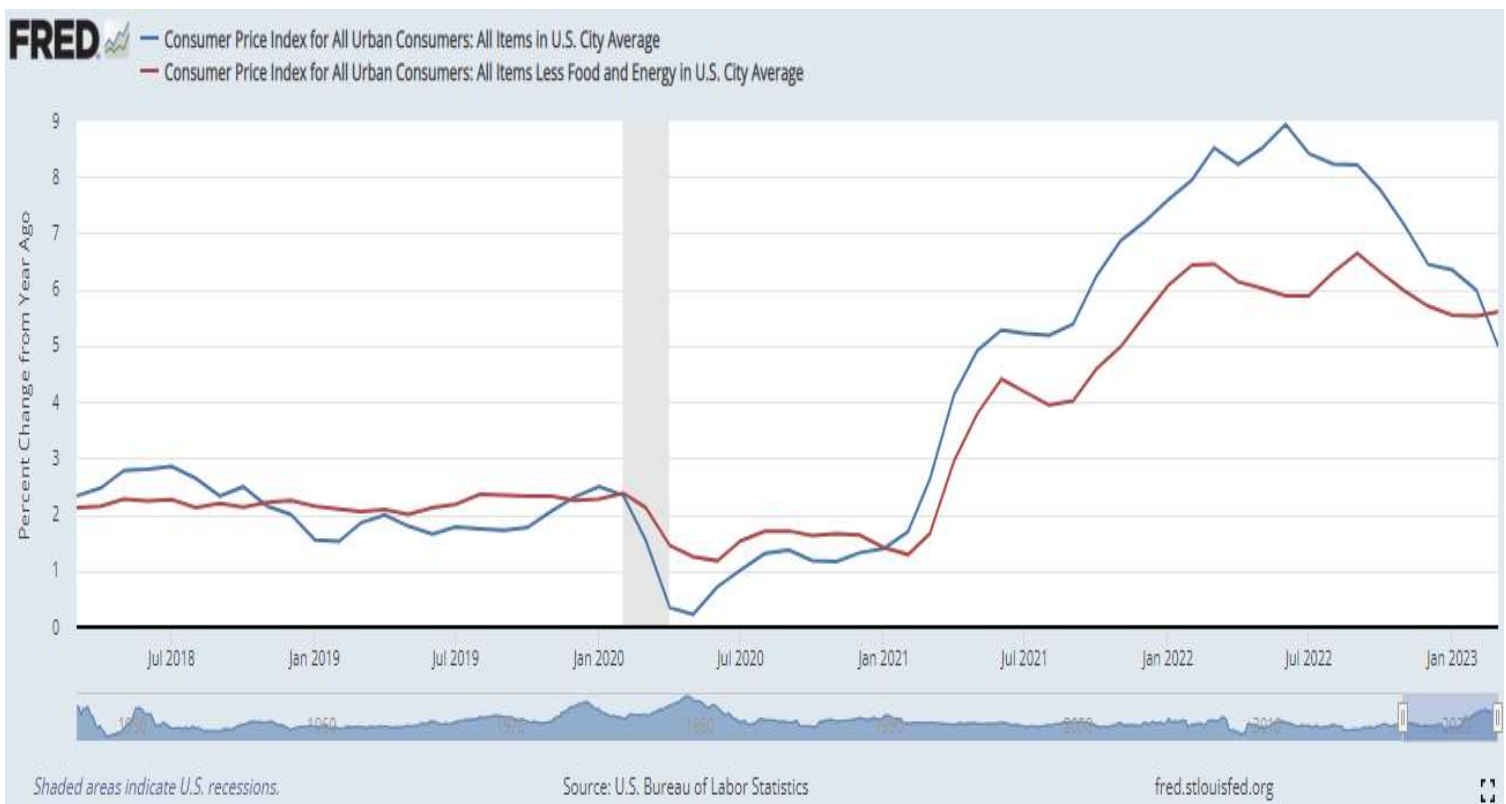


Provided by Federal Reserve of Dallas – U.S. Economy Charts– Apr 2023

CONSUMER PRICE INDEX

“The all items index increased 5.0 percent for the 12 months ending March; this was the smallest 12-month increase since the period ending May 2021. The all items less food and energy index rose 5.6 percent over the last 12 months. The energy index decreased 6.4 percent for the 12 months ending March, and the food index increased 8.5 percent over the last year.” – Apr 2023 – Economic News Release – Bureau of Labor Statistics

Consumer Price Index - 12 Month Percentage Change



Source: Bureau of Labor Statistics, not seasonally adjusted, 1982-84=100 Provided by the St. Louis Fed

According to the Bureau of Labor Statistics (BLS), “There are a variety of CPI numbers generated each month. In the graph above, two numbers are compared. The first is the **Official CPI Number** that is reported to the media. It is the broadest and most comprehensive CPI and is called the **All Items CPI for All Urban Consumers**. The second one is called the **All items less food and energy**.” The BLS mentions that “Some users of CPI data use this index because food and energy prices are relatively volatile, and these users want to focus on what they perceive to be the ‘core’ or ‘underlying’ rate of inflation.”

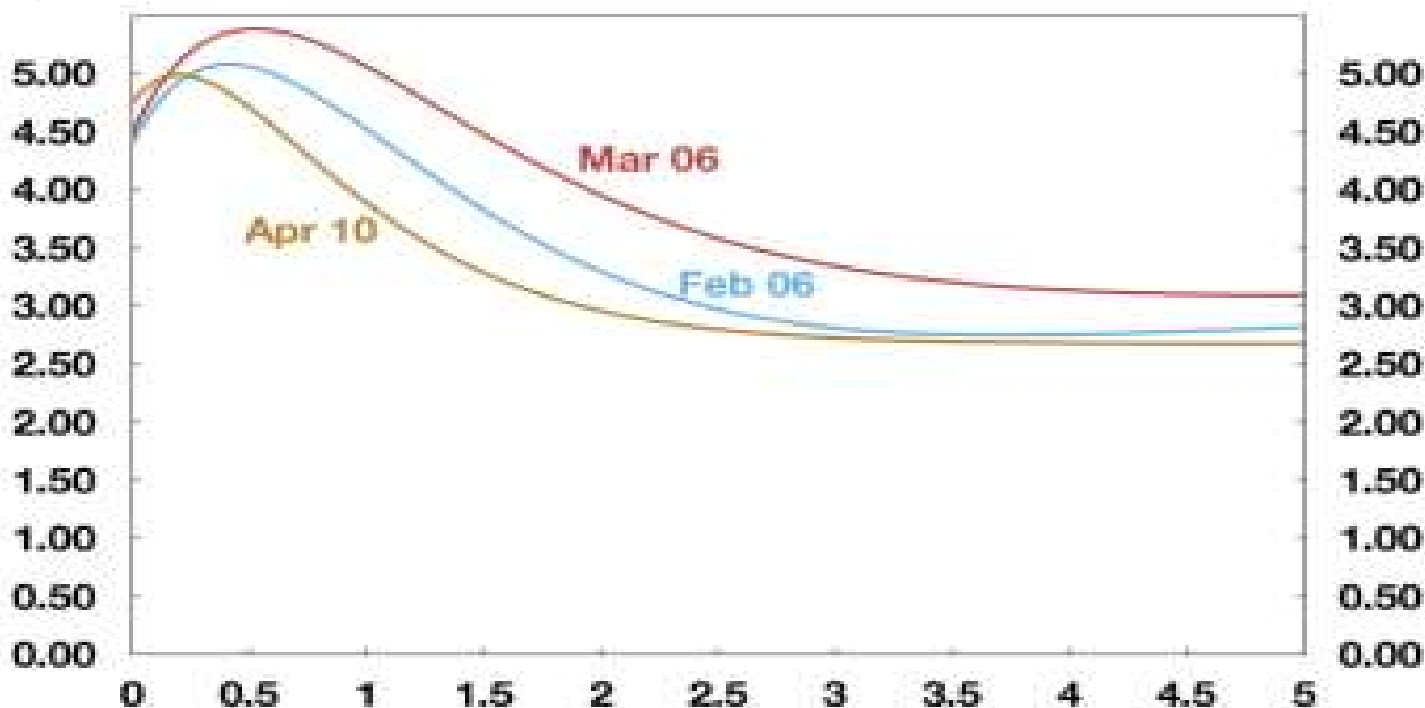
IMPLIED FED FUNDS RATE

“Between March 6 and April 10, the expected path of the federal funds rate implied by overnight indexed swaps shifted up at maturities of less than two months and decreased for all other maturities. The curve has a downward slope after about two months.

The market-implied federal funds rate at the end of 2024 decreased to about 3.1%, which is below the median value of 4.3% in the FOMC’s Summary of Economic Projections (SEP) from March 2023.

At the five-year horizon, the market-implied federal funds rate decreased to around 2.7%, which is above the median SEP longer-run federal funds rate of 2.5%.” – Apr 2023 – New York Fed

Implied Fed Funds Rate



Source: NY Fed calculations, Bloomberg Finance L.P.

Provided by Federal Reserve of New York – U.S. Economy in a Snapshot – Apr 2023

OIL AND NATURAL GAS

“Oil prices fell in April. As of the week ending April 21, West Texas Intermediate crude was \$79.22 per barrel, \$2.65 lower than the previous week. Natural gas (Henry Hub) increased 11 cents to \$2.21 per million British thermal units. **The number of active rigs in Texas was little changed** at 377 during the same period.” – May 2023 – Texas Economic Indicators – Dallas Fed

Energy activity



NOTE: Data are through the week ending April 21, 2023. The West Texas Intermediate (WTI) oil price is dollars per barrel; the natural gas price is dollars per million British thermal units, multiplied by 10.

SOURCE: Baker Hughes; Energy Information Administration; *Wall Street Journal*.

Provided by Federal Reserve of Dallas – Texas Economic Indicators – May 2023

CONSTRUCTION CONTRACT VALUES – TEXAS

“Construction contract values increased by 11.6 percent in March; however, **the five-month moving average dipped for a third straight month—falling 8.0 percent to \$10.9 billion.** The five-month moving average of nonresidential values dropped for a third consecutive month to \$5.1 billion; residential building construction values fell for the 11th consecutive month to \$3.4 billion, and nonbuilding construction dipped to \$2.3 billion. **Year to date through March, total construction contract values were down 22 percent compared with the same period in 2022.**” – May 2023 – Texas Economic Indicators – Dallas Fed

Contract values

Real dollars (billions)*



*Five-month moving average; seasonally adjusted.

SOURCE: F.W. Dodge.

Provided by Federal Reserve of Dallas – Texas Economic Indicators – May 2023

WHY APPLE AND THE CARRIERS WANT YOUR OLD PHONE

“Phone makers and cellular carriers have become obsessed with getting your dirty old phone. But why?

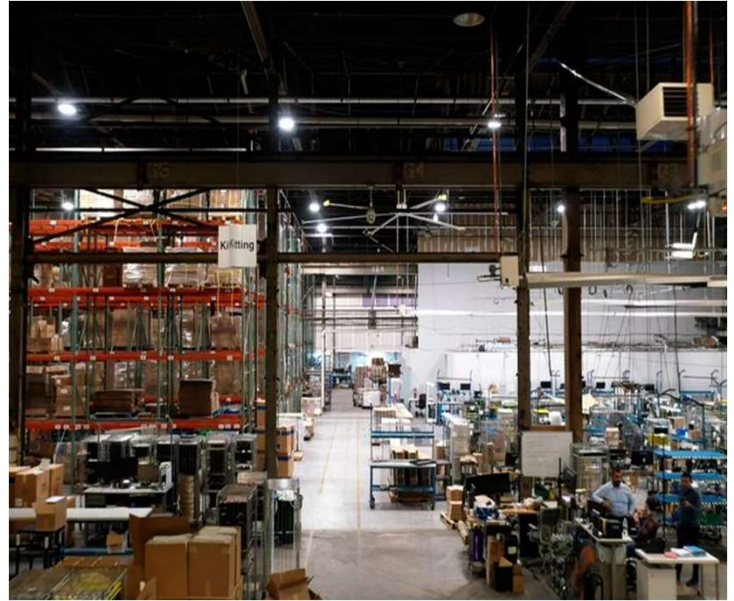
Sure, there’s the environment. Trade-in programs theoretically save phones from ending up in a landfill or gathering dust in your cluttered desk drawer. But also...money.

Analyst firm IDC calculates that **over 282 million secondhand smartphones shipped in 2022**. (Those include refurbished and just plain used.) While that is substantially less than the 1.2 billion new smartphones shipped that year, IDC projects the **secondhand market will grow more than 10% annually** until 2026.

If so many phones are being shipped, where are they going? And who makes money on them?” - Mar 2023 - The Wall Street Journal

“U.S. Mobile Phones, which goes by USMP, let me [Joanna Stern] into its warehouse. At the facility in New Brunswick, N.J., it processed more than 2.5 million traded-in devices last year - mostly Apple iPhones.” - Mar 2023 - The Wall Street Journal

“**Two-thirds** of the phones that arrive at the USMP facility get data-wiped, cleaned up and **sold off to wholesalers**, often overseas.



U.S. Mobile Phones, based in New Jersey, processed more than 2.5 million traded-in devices last year. PHOTO: KENNY WASSUS/THE WALL STREET JOURNAL

The other third goes to its sister company, Back in the Box, to be **cleaned up, refurbished and sold to buyers on Amazon** or Back Market, a popular secondhand-phone marketplace.

What about Android? **Refurbishers prefer taking in iPhones** for the same reason thieves prefer stealing them: more money. While Back in the Box does resell some Android devices, the majority are iPhones and iPads, said its chief executive, Ari Marinovsky. A big reason is that **Apple updates device software for more years than its competitors do.** - Mar 2023 - The Wall Street Journal

WHY APPLE AND THE CARRIERS WANT YOUR OLD PHONE (continued)

REFURBISHING: THE FOUR PROCESSES

- **“Data erasure and triage:** Special software removes any data left by the previous owner. Workers then put the device through tests to confirm everything works: microphone, speakers, screen, camera, buttons, wireless radios, etc. During this step, they also test batteries. **Devices whose battery health is 80% or lower**—that is, their ability to hold energy has declined by 20% or more—**are set aside to be resold cheaply elsewhere.**

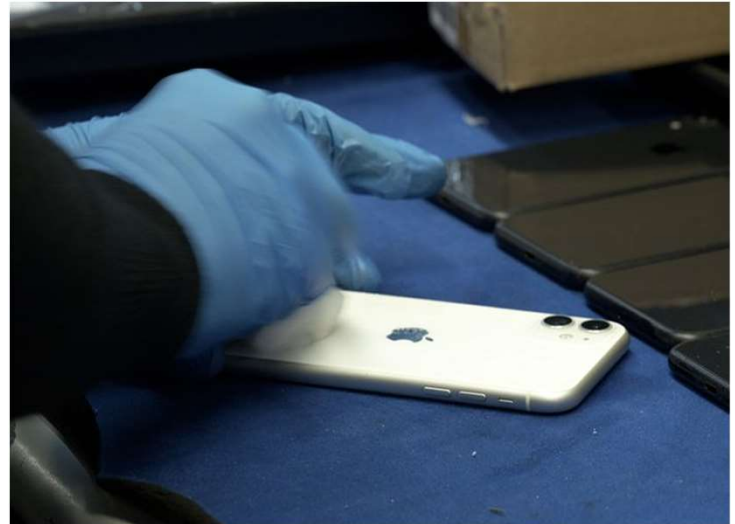
- **Cleaning:** Workers use toothbrushes to get into the crevices, plastic picks to get stickers off and hand sanitizer and microfiber cloths to wipe down screens. It’s like a smartphone carwash. No dirt, germs or boogers survive.

- **Grading:** The phone is inspected for cosmetics and assigned a grade so a price can be determined. Our iPhone 11 got an A, meaning its screen didn’t have any scratches, and any micro-scratches to the housing weren’t visible from 8 inches away.

- **Kitting:** Workers slide our clean, healthy iPhone 11 into a padded pouch and stick the pouch in a box with a new charging cable.”

RESALE:

“Mr. Marinovsky said **Back in the Box typically prices refurbished products, depending on their final grade, 20% to**



A traded-in iPhone 11 gets put through the cleaning process at the U.S. Mobile Phones facility PHOTO: KENNY WASSUS/THE WALL STREET JOURNAL

30% below the retail price of the same phone purchased new.

In the case of our used iPhone 11, the company listed it at around \$350 on Back Market. Apple doesn’t sell the iPhone 11 anymore, but you can find it new at some retailers for \$500.

That pricing, Mr. Marinovsky said, gives the consumer a good discount. It also gives the business enough **margin—somewhere between 10% to 15%**—to have some profit. Even though you might calculate Back in the Box and USMP making up to \$100 on this particular phone, the refurbishing labor and Back Market’s 10% cut eat into the profit. So does the prevalence of dud phones that must be sold off at a loss, he said.” - Mar 2023 - The Wall Street Journal

FIRST DRUGS FACING MEDICARE PRICE PENALTY

“U.S. health officials released the first **list of drugs paid for by the government’s Medicare insurance program whose prices went up more than the rate of inflation** and will face a penalty under a new federal law.

The Centers for Medicare and Medicaid Services [CMS] on Wednesday [March 15] named **27 drugs that had the large price increases**, including rheumatoid-arthritis treatment Humira from AbbVie Inc. and Yescarta lymphoma therapy from Gilead Sciences Inc., and **will face the price-increase penalty in the form of a rebate.**

The federal government will start billing the pharmaceutical companies that sell the medicines for the rebates in 2025, according to the health officials. Companies that don’t pay could face a penalty that is 125% of the rebate amount.”

“Medicare is the federal government’s health-insurance program for seniors and some disabled people. It spent \$378 billion on prescription drugs in 2021, up 7.8% from the year before, according to CMS.



Humira, which treats rheumatoid-arthritis, is one of the 27 drugs named by U.S. health officials whose prices went up more than the rate of inflation. PHOTO: JOE BUGLEWICZ FOR THE WALL STREET JOURNAL

CMS will put the rebate savings into the hospital Medicare Trust Fund, which pays for hospital insurance and program administration.

Biden administration officials have said they believe the requirement will **help reduce growth in prescription-drug spending.**

Under the Inflation Reduction Act passed last year, companies that raise the prices of prescription medicines higher than inflation would have to pay the rebates, one of several provisions in the law aimed at curbing high drug costs.” - Mar 2023 - The Wall Street Journal

IN DEPTH - STUDENT LOAN PAYMENT UPDATE

INTRODUCTION

“If you’re one of the 45 million Americans with student loans, chances are you’ve enjoyed a little extra room in your budget for the last few years, thanks to the pause in federal loan payments.

Unfortunately, that relief may finally be coming to an end: **The Biden administration has said payments will resume later this year**, likely before the fall.

When exactly will that happen? The timing depends on how the Supreme Court rules on Biden’s plan to forgive up to \$20,000 in federal student loans per borrower. But even if the court strikes down the plan, the White House has given no indication it will extend the payment pause any further.

In other words, despite numerous false alarms over the past year, student loan experts say this time, chances are borrowers will really be on the hook to resume payments. And if restarting payments will put stress on your budget, you need to take steps to prepare financially.” – Apr 2023 – Buy Side WSJ

WHEN WILL STUDENT LOAN PAYMENTS RESUME?

“Since 2020, student loan payments have been put on pause, but this will come to an end sometime in 2023. The exact date that payments resume depends on when the Supreme Court rules on the lawsuit against Biden’s student loan forgiveness plan. **If the Supreme Court has not made a decision by June 30, payments will resume 60 days after and interest will begin accruing again at that time.** If the court decision is made before June 30, payments will resume 60 days after the court ruling, and interest will then begin accruing.” – Feb 2023 – Kiplinger

IN DEPTH - STUDENT LOAN PAYMENT UPDATE

WHEN MIGHT THE SUPREME COURT REACH A DECISION?

“In November, **Biden's plan to cancel up to \$20,000 in student debt for federal borrowers was put on pause by two conservative-backed lawsuits** seeking to permanently block the plan. The Supreme Court heard oral arguments on both cases on [February 28] — the first case it took on was filed by six Republican-led states who argued the relief would hurt their states' tax revenues, and the second case was filed on behalf of two student-loan borrowers who sued because they didn't qualify for the full \$20,000 amount of relief.” – Mar 2023 – Business Insider

“While the arguments only spanned a day, the Supreme Court could take much longer to make its decision.

‘The U.S. Supreme Court could issue an opinion in a few weeks, or it could wait until the end of the current term, which is late June or early July,’ says Mark Kantrowitz, publisher of Research at SavingforCollege.com.



Activists and students protest in front of the Supreme Court during a rally for student debt cancellation in Washington, DC, on February 28, 2023. ANDREW CABALLERO-REYNOLDS/AFP via Getty Images Source: Business Insider

‘Since this is a more significant case, it is more likely to wait until the end of the term.’

If the Supreme Court reaches its decision quickly, borrowers could see their payments resume in early summer. If it takes longer as Kantrowitz predicts, the payment restart will likely fall at the end of August.” – Apr 2023 – Buy Side WSJ

IN DEPTH - STUDENT LOAN PAYMENT UPDATE

WILL THE PAYMENT PAUSE BE EXTENDED AGAIN?

“According to student loan expert and Forbes contributor Mark Kantrowitz, **there may be some legal roadblocks that limit Biden's options when it comes to extending the repayment pause yet again.** Specifically, Kantrowitz says the authority to implement the payment pause and interest waiver is based on the Heroes Act of 2003, but that the authority to extend the repayment pause ends when the national emergency ends.

In the meantime, President Biden has officially expressed an intention to end the Covid-19 emergency on May 11, 2023.

That said, the Biden administration has also signaled that its authority to implement the payment pause and interest waiver continues beyond the end of the national emergency because the economic effects continue, says Kantrowitz.

He also adds that the President's plans to end the national emergency declaration could change before any of this happens.

Kantrowitz also believes that it's possible the Biden administration will decide to extend the payment pause and interest waiver indefinitely as a ‘plan B’ in case the U.S. Supreme Court blocks the President's student loan forgiveness plan.

However, he says they may decide to leave the US Supreme Court's opinion as the final say instead.

So, will Biden try to extend the federal student loan repayment pause and 0% interest rate period yet again? As you can tell from our experts’ opinions, **nobody knows for sure** — or if he even can. If this leaves you wondering what you should do to prepare either way, experts agree it's best to get your finances ready for student loan payments now as if they will definitely resume sometime in fall of 2023.” – Mar 2023 – Forbes

IN DEPTH - STUDENT LOAN PAYMENT UPDATE

WHEN WILL BORROWERS BE NOTIFIED THAT PAYMENTS NEED TO RESUME?

“The Education Department will notify borrowers 60 days before student loan payments restart. Your loan servicer should reach out as well, so make sure your servicer has your most up-to-date contact information.

Don't expect your student loan payments to automatically debit from your account, though. Your servicer will ask if you want to use auto-debit, but it **will cancel any autopay you used prepandemic if you don't respond.**

What's more, autopay enrollment will be canceled for all Perkins loans, so you'll need to re-enroll if you're a Perkins borrower. The only exception is for borrowers who kept paying their loans during the forbearance.

If you signed up for **auto-debit after March 13, 2020, your automatic payments will continue as normal.**” – Apr 2023 – Buy Side WSJ

Average Student Loan Debt

- \$1.75 trillion in total student loan debt (including federal and private loans)
- \$28,950 owed per borrower on average
- About 92% of all student debt are federal student loans; the remaining amount is [private student loans](#)
- 55% of students from public four-year institutions had student loans
- 57% of students from private nonprofit four-year institutions took on education debt

Sources: [Federal Reserve](#), [The Institute for College Access and Success](#), [College Board](#), [MeasureOne](#)
Provided by Forbes Feb 2023

IN DEPTH - STUDENT LOAN PAYMENT UPDATE

WHAT HAPPENS TO STUDENT LOANS IN DEFAULT?

“If your student loans were in default prior to the emergency forbearance, **the Education Department is offering a ‘fresh start.’** You’ll have the option to rehabilitate your loans into good standing, a program that’s normally a one-time deal.

You’ll also get relief from collections, so you won’t have to worry about collections calls or garnishment of your wages, tax refunds or Social Security payments. Plus, you’ll regain access to federal financial aid if you want to go back to school.

Your student loan holder should reach out to you in the coming months about this Fresh Start program, so keep an eye on your inbox for more details. You can also contact Default Resolution Group for assistance.” – Apr 2023 – Buy Side WSJ

FEDERAL STUDENT LOANS BY AGE

Age group	Amount owed	Number of borrowers
24 or younger	\$110 billion	7.6 million
25 to 34	\$500 billion	14.9 million
35 to 49	\$622 billion	14.4 million
50 to 61	\$282 billion	6.4 million
62 and older	\$98 billion	2.4 million

Source: *Federal Student Aid*

Provided by *Forbes Feb 2023*

IN DEPTH - STUDENT LOAN PAYMENT UPDATE

HOW TO PREPARE TO START PAYING STUDENT LOANS AGAIN?

“With the emergency forbearance likely to end soon, it’s time to get your ducks in a row. Here are some steps to prepare.

- Sign into your student loan accounts. Review your outstanding balances, interest rates, and monthly payments so you know what to expect.
- Update your contact information. Make sure your loan servicer has your current email, phone number and home address so you don’t miss important news. You can also sign up for the Education Department’s newsletter for announcements.
- **Explore repayment options. Federal student loans are eligible for a variety of repayment plans**, including extended repayment and income-driven repayment. An income-driven plan may provide relief if your student loan payments are unaffordable. The Biden administration may introduce a new and improved income-driven plan at some point, but no changes have been made yet.
- **Research forgiveness programs.** While the fate of Biden’s forgiveness plan is up in the air, the government offers alternative options, such as Public Service Loan Forgiveness and Teacher Loan Forgiveness.

‘Figure out your repayment strategy before you get that first bill,’ advises Lux. ‘If you wait until the restart, it will be very difficult to get help from your servicer.’

The bottom line: Make a student loan repayment strategy now rather than waiting for the payment pause to end to ease your transition back into repayment.” – Apr 2023 – Buy Side WSJ

IN DEPTH - STUDENT LOAN PAYMENT UPDATE

PROPOSED CHANGES TO INCOME-DRIVEN REPAYE PROGRAM

“The Department of Education’s new repayment plan was officially proposed earlier this year and is aimed to help borrowers pay off their student loans when payments resume later this year. **An income-driven repayment plan is a plan to pay off your student loans appropriate to your income and family size, so it is affordable for your financial situation.** Currently, there are four types of income-driven repayment plans, but the one the Department of Education is **proposing changes to is the REPAYE Plan.** Here are the proposed changes so far — further amendments may be made before the finalization of the program:

Smaller monthly payments: As the plan now stands, borrowers are expected to pay 10% of their discretionary income. Discretionary income is the difference between your annual income and 150 percent of the poverty guideline for your family size and state of residence.

However, under the new plan, the amount borrowers owe could be slashed in half. For borrowers paying off undergraduate loans, **the amount owed would be lowered to 5% of their discretionary income.** The new plan would also increase the amount of income protected from repayment.

Shorter time until forgiveness: As the REPAYE plan currently stands, after 20 or 25 years of making payments, any remaining loan balances will be cleared. This is still the maximum time period for payment under the new plan however, **borrowers with \$12,000 or less in loans will have remaining debt forgiven after just 10 years of payments** under the plan. Plus, only one year of monthly payments will be added to the total repayment period for any additional \$1,000 of debt over \$12,000.

Interest subsidy: The new plan would **prevent interest from accruing**, even if the monthly payment amount isn’t large enough to cover the monthly interest. Check to see if your federal student loans are eligible for an income-driven repayment plan. Official estimates have the new plan expected to be available by July 1, 2024.” – Feb 2023 – Kiplinger

IN DEPTH - STUDENT LOAN PAYMENT UPDATE

AVERAGE STUDENT LOAN BY TYPE

Here's what average student loan debt by type:

Debt type	Average debt
Bachelor's degree debt	\$28,400
Graduate school loan debt	\$71,000
Parent PLUS loan debt	\$28,778
Law school debt	\$130,000
MBA student debt	\$66,300
Medical school debt	\$203,062
Dental school debt	\$301,583
Pharmacy school loan debt	\$179,514
Nursing school student debt	\$19,928: Associate Degree Nursing (ADN) \$23,711: Bachelor of Science in Nursing (BSN) \$47,321: Master of Science in Nursing (MSN)
Veterinary school debt	\$147,258

Provide by NerdWallet Jan 2023

IN-DEPTH TOPICS LOCATED ON THE COUNTY AUDITOR'S WEBPAGE

5G Network	4th Qtr 2018	Natural Gas – U.S. Exports	4th Qtr 2019
Afterpay	4th Qtr 2020	Negative Interest Policy	2nd Qtr 2016
Alibaba	3rd Qtr 2017	New Silk Road	2nd Qtr 2017
Bitcoin	4th Qtr 2016	Non-Fungible Tokens	1st Qtr 2021
Cashless Society	4th Qtr 2017	Pandemic – Impact	1st Qtr 2020
Chatbots	1st Qtr 2019	Quantitative Easing	1st Qtr 2016
Deep Sea Mining	3rd Qtr 2020	Repurchase Agreements	3rd Qtr 2019
EV Supply Chain	3rd Qtr 2022	Secure Act - Retirement	4th Qtr 2022
Facial Recognition	1st Qtr 2018	Series I Bonds	1st Qtr 2022
IRS - Online Platforms	2nd Qtr 2022	Small Business Reorg Act	2nd Qtr 2020
Labor Participation Rate	4th Qtr 2015	Student Loan Update	1st Qtr 2023
Libra, Calibra, Facebook	2nd Qtr 2019	Texas Imports and Exports	2nd Qtr 2018
Lumber Prices Soaring	4th Qtr 2021	Universal Postal Union	3rd Qtr 2018
Money Market Reform	3rd Qtr 2016	Vehicle Shortage	2nd Qtr 2021

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