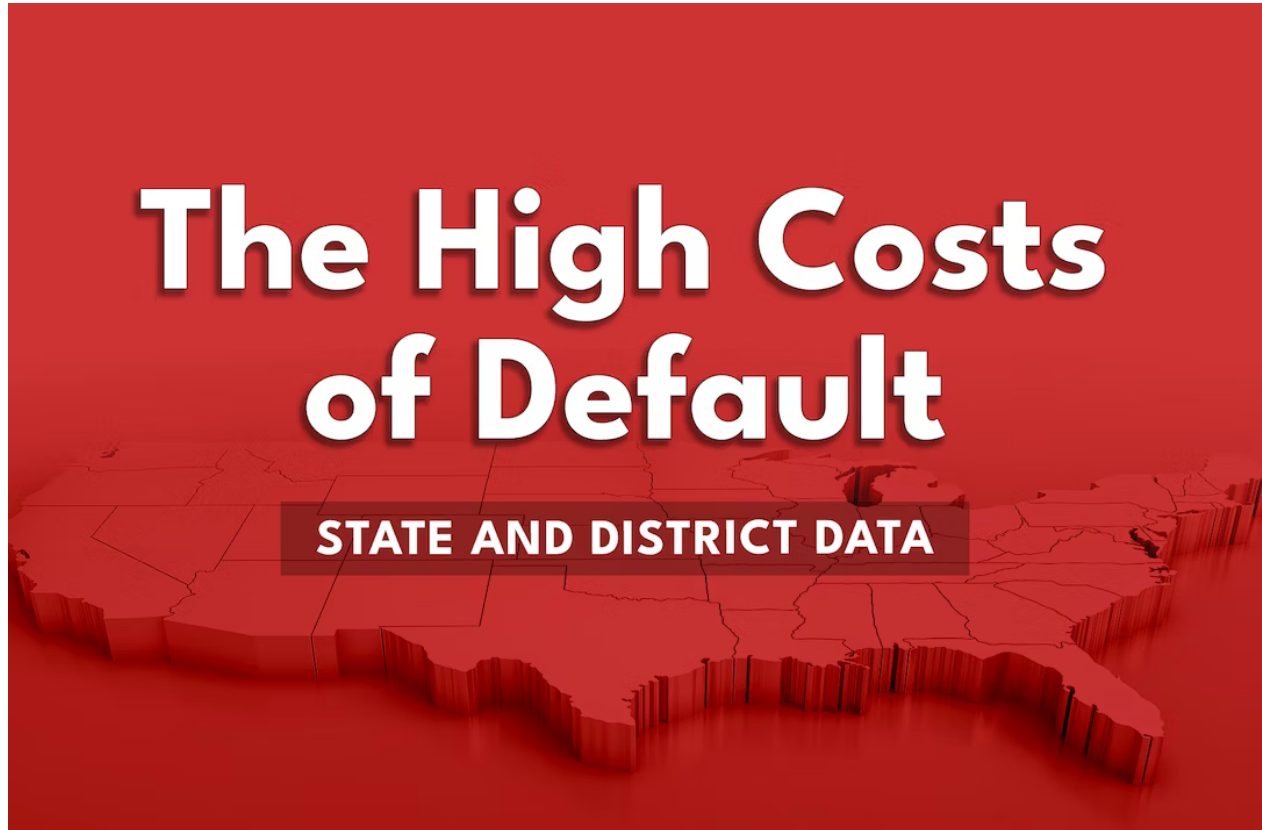


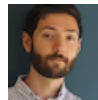
The High Costs of Default for Americans in Every State and District



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A default on U.S. debt not only would devastate our economy and hurt our standing in the world, it would have serious, quantifiable consequences for American families and businesses in every state and district. The [U.S. Department of the Treasury](#) and the [Congressional Budget Office](#) are both warning that unless Congress acts, the United States could run out of funds to pay for current obligations, triggering a national default in early June—possibly as early as June 1.

To help the public understand they will pay a steep and personal price if America defaults, Third Way is releasing data showing the impact of a debt default on jobs, mortgages, and Social Security for every state and congressional district. And these consequences would be just the start – the

economic damage from a default could vastly exceed the projections in this report the longer the default drags on.

To learn more about the data underlying these projections, read [The Dominoes of Debt Limit Default](#).

Methodology

Calculations in this memo are based on the national numbers from “The Dominoes of Debt Limit Default” by Curran McSwigan and Zach Moller released in December 2022. The authors then applied similar methods to data from the [US Census Bureau’s release on congressional districts](#). For home prices, state-level data were retrieved from the Federal Reserve Bank of St Louis’s FRED database for Realtor.com’s median listing price. Every congressional district is assigned its state’s calculated increase in lifetime mortgage cost. UPDATED: Increases in mortgage costs have been updated to reflect new estimates produced by Zillow in their May 11, 2023 analysis of how home prices and mortgage rates will change in the event of default. <https://www.zillow.com/research/debt-ceiling-32626/> This is applied to updated state home price data and mortgage rates.

Social Security data also comes from the Census Bureau release on congressional districts. As it is survey-based data of *households* with social security income, it will not match administrative data from the Social Security Administration for the number of Social Security *beneficiaries* as multiple social security checks may go to a given household. State numbers are the sum of the congressional districts.

All numbers are rounded. Additional details are available upon request from the authors.

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