



Dallas-Fort Worth Residents Have Among the Highest Debt and Lowest Credit Scores

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Dallas residents apparently enjoy spending beyond their means more than most of the country does. At least that's the appearance given by a recent survey of the 20 largest metropolitan areas done by the Experian credit bureau. As reported in the [Dallas Morning News](#), people in the Dallas and Fort Worth area rank just below Seattle residents in average debt per consumer — not exactly a great honor for us. And we also tied for lowest average credit score. Here are excerpts from the article:

According to Experian, Dallas had an average debt per consumer of \$26,599 in March, just behind Seattle's \$26,646. The average for all consumers nationally was \$24,775.

"It's not a good thing that it's No. 2," said Maxine Sweet, vice president of public education at Experian.

Experian analyzed a sample of all its credit reports nationwide to calculate national averages and then isolated data from consumers living in the top metro areas to discern local trends. The figures include consumer debt, such as credit cards and car loans, but exclude mortgage debt.

The Dallas-Fort Worth area has an average credit score of 719, tied with the Miami-Fort Lauderdale area for the lowest score among the top 20 metropolitan areas, according to Experian.

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The score used is the VantageScore, which was developed by Experian and the other two credit bureaus, Equifax and TransUnion, and ranges from 501 to 990. The national average is 749.

The average debt of Dallas-Fort Worth consumers has been falling in the last two years, but their credit scores are slightly lower, Sweet said.

“That likely means more missed payments and higher utilization,” she said.

The average number of missed loan payments among Dallas-Fort Worth consumers is 0.67.

However, the national average is 0.5, Sweet said, adding that the difference is significant.

Late payments are the biggest factor in knocking down credit scores.

Also critical is the “credit utilization” ratio, meaning what percentage of a consumer’s available credit is being used. The higher the number, the riskier the consumer looks to creditors.

Dallas-Fort Worth consumers are using an average of 29.54 percent of their available credit, compared with an average of 28.47 percent nationally, Sweet said.

“It’s important to look at the whole picture when evaluating how consumers are actually managing their credit,” she said.

“Seattle ranks the highest in terms of average debt per consumer. However, additional data shows that Seattle’s consumers have very few late payments and are not maxing out their credit cards, so they are using their credit wisely and maintaining higher credit scores.”