

# Household and Corporate Debt in America Reach All-Time Highs ... Towards a Deep Recession?

By [Washington's Blog](#)

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Region: [USA](#)

Theme: [Global Economy](#)

*Household debt is at an all-time high. The Federal Reserve Bank of New York [explains](#):*

Total household debt increased by \$219 billion (1.6%) to **\$13.51 trillion** in the third quarter of 2018. It was the 17th consecutive quarter with an increase and the total is now **\$837 billion higher than the previous peak** of \$12.68 trillion **in the third quarter of 2008**.

CNBC [notes](#) that corporate debt has risen from \$4.9 trillion in 2007 to nearly **\$9.1 trillion** in 2018. CNBC also points out: "The cash-to-debt ration for corporate borrowers fell to 12 percent in 2017, the lowest ever."

What does this mean for the economy?

While mainstream economists think that private debt has [no effect](#) on the economy, smarter economists – like **Steve Keen** and analysts at the National Bureau of Economic Research – point out that high levels of private debt are the [MAIN predictor](#) of deep recessions and depressions.

Ruh-roh.

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