

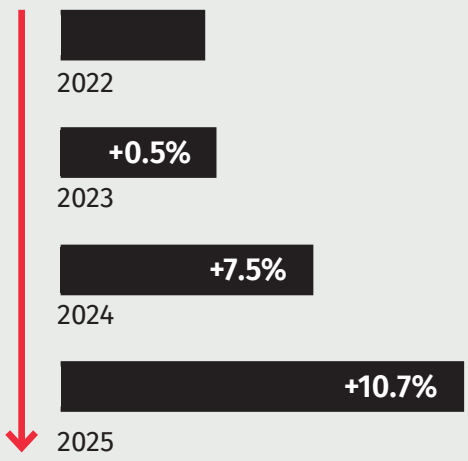
CT Corporation

What's driving the rising wave of wage garnishments

Wage garnishment activity is rising across industries and jurisdictions, creating more compliance pressure for employers to respond quickly, accurately, and without error. Here's what is driving the increase, where risk is building, and what employers need to do to stay ahead of costly mistakes.

Wage garnishment volume is accelerating

+19.5%
wage garnishment growth from 2022 to 2025



Early 2026 shows a sharper jump

+20.8%
year-over-year increase from January through February 2026

+33%
growth across the same year-to-date window since 2022



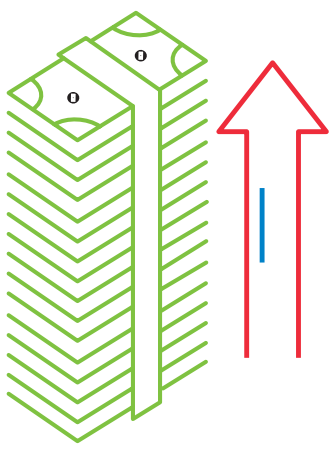
Takeaway: The latest data suggests wage garnishment growth is not just continuing. It is speeding up.

Consumer debt and delinquency are adding pressure

- Borrowers now carry record levels of debt
- About **4.8%** of all debt is delinquent, the highest rate in nearly a decade

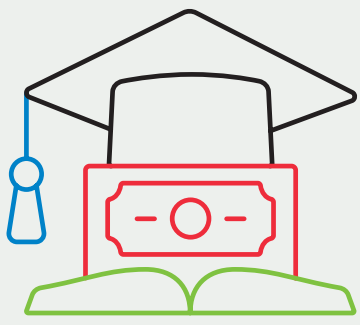
Credit card debt:
$1.3
trillion

Household debt:
$18.8
trillion



Student loan collections are back in the system

- Federal student loan collections resumed in **May 2025**
- Collections had been paused since the COVID period



The Department of Education estimates student loan default rates could reach
25%

Debt buyers are taking a bigger share

- Debt buyer wage garnishment activity rose **38%** from January to February 2026 compared with the same period in 2025
- Debt buyers made up **24.18%** of wage garnishments year-to-date through February 2022
- By the same period in 2026, their share had climbed to **35.59%**



That is an increase of more than
11%
in four years

Employers have less room for error

- Legal notices and wage garnishment orders are increasing
- Many SOP documents require a response within **20 days**
- Wage garnishment orders often require **immediate action**
- Noncompliance can trigger financial penalties, legal exposure, and liability for an employee's debt





Your registered agent is a critical first line of defense

- Registered agents must be available during normal business hours
- They receive legal notices and wage garnishment orders on behalf of the business
- Fast intake and routing helps keep deadlines from slipping

Takeaway: When garnishment activity rises, reliable receipt and rapid escalation matter even more.

Rising wage garnishment volume is increasing the operational and compliance burden on employers. The organizations best positioned to manage the risk are the ones built to receive, route, and respond with speed, consistency, and control.

Talk to CT Corporation about streamlining wage garnishment and SOP handling across your organization.

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