

39 Million in Credit Card Debt for Multiple Years

35% blame their debt on emergency expenses

Austin, Texas – February 21, 2019 – Thirty-nine million Americans have been carrying credit card debt for at least the past two years and another 8 million can't recall how long they've been in debt, according to a new CreditCards.com report. All told, about 6 in 10 (59%) credit cardholders are currently carrying a balance on at least one card. Some 56% of credit card debtors have been in debt for at least a year, 37% have been in debt for at least two years, 23% have been in debt for at least three years and 14% have been in debt for at least five years. Another 7% can't recall how long they've been carrying a balance. Click here for more information:

<https://www.creditcards.com/secured/#long-term-debt-poll>

More than 1 in 3 (35%) with credit card debt say it's because of emergency expenses like car repairs or maintenance (14%), medical bills (12%) or home repairs (9%). Another 28% point to day-to-day costs like groceries, child care or utilities, meaning 63% of credit card debtors simply can't keep up with necessary spending. A much smaller percentage (27%) say their debt is caused by something discretionary like retail purchases (18%) or vacations (9%).

Cardholders with annual incomes below \$30,000 are the most likely to be carrying credit card debt (66% vs. 53% who make \$80,000 and over). This is significant because the average credit card rate is a record-high 17.55%.

“Anyone who carries a balance, even occasionally, needs to prioritize their interest rate over rewards,” said CreditCards.com industry analyst Ted Rossman. “Cut expenses, generate extra income, sign up for a balance transfer card (<https://www.creditcards.com/balance-transfer/>) or ask your issuer for a lower interest rate. Do whatever you need to do to pay down that balance ASAP.”

In fact, Rossman notes that if a credit card debtor only made the minimum payments on a \$5,000 debt at the national average interest rate, they'd be in debt for 18 ½ years and would end up paying a total of \$11,364. “Paying down credit card debt needs to be a priority because the interest rates are so much higher than mortgages, auto loans and student loans (often 3-4 times higher). The interest costs add up fast and can be overwhelming.”

As interest rates continue to climb, Millennials (ages 23-38) are more worried about credit card debt than older generations. Nearly two-thirds (63%) of Millennials with credit card debt are very or somewhat stressed about it, compared to 51% of Gen Xers (ages 39-54) and 42% of Baby Boomers (ages 55-73). Overall, half of those with credit card debt are at least somewhat stressed about it.

The most common reason Millennials who carry a balance say they're in credit card debt: day-to-day expenses like groceries, child care or utilities (40%). They are nearly twice as likely to point to everyday spending as those who are older (22%). Baby Boomers are more likely to blame medical bills (16%) than younger generations.

Methodology:

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,504 adults, including 1,775 credit cardholders and 1,038 with credit card debt. Fieldwork was undertaken on January 23-25, 2019. The survey was carried out online. The figures have been weighted and are representative of all U.S. adults (aged 18+).

About CreditCards.com:

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