

Credit Card Debtors Outspend Debt-Free Households in Discretionary Spending

Fewer Than Half Willing to Cut Back in Each Category

New York – July 11, 2019 – Households with credit card debt are outspending debt-free households in seven of nine discretionary spending categories and few are willing to cut back, according to a new CreditCards.com report. Click here for more information:

<https://www.creditcards.com/credit-card-news/luxury-spending-poll/>

Here are the average annual expenses for each household*:

Category	Debtors	Non-Debtors
Car Loan/Lease	\$5,096	\$5,262
Leisure Travel	\$2,211	\$3,188
Dining/Takeout	\$2,186	\$2,023
Clothing, Shoes and Accessories	\$1,892	\$1,515
Cell Phone Services/Upgrades	\$1,629	\$1,326
Out-of-Home Entertainment	\$1,538	\$1,232
Fitness	\$1,385	\$1,317
Subscription Services	\$1,198	\$1,083
Personal Care/Beauty	\$1,146	\$945

In all nine categories, a minority of respondents would be willing to cut their spending by 50% in order to save money. Debtors are only slightly more likely to cut back than non-debtors:

Category	Debtors	Non-Debtors
Car Loan/Lease	26%	22%
Leisure Travel	30%	26%
Dining/Takeout	48%	44%
Clothing, Shoes and Accessories	35%	31%
Cell Phone Services/Upgrades	25%	19%
Out-of-Home Entertainment	36%	33%
Fitness	28%	18%
Subscription Services	39%	32%
Personal Care/Beauty	23%	20%

Nearly 1 in 5 (18%) Americans with credit card debt are unwilling to cut back in any of these discretionary spending categories.

“The average U.S. household spends thousands of dollars a year on non-essentials. If you’re charging these luxuries and carrying a balance, you’re spending an average [of about 18% more for the privilege](#),” said Ted Rossman, industry analyst at CreditCards.com. “Would you have chosen the same car, plane ticket or restaurant if the price were 18% higher?”

According to the American Bankers Association, about 60% of credit cardholders carry balances from month to month. The Federal Reserve says the average household with credit card debt owes \$5,700.

“For those in debt, I recommend [balance transfer credit cards](#) and looking for ways to boost your income and cut your expenses,” Rossman adds. “It’s not necessarily about going without – it’s about being an educated consumer and spending less on things you’ll still enjoy. Cutting a monthly expense is especially valuable because it comes up again and again.”

* Each category includes all households that spend in that area at least once a month (at least once a year for leisure travel)

Methodology:

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,482 adults. Fieldwork was undertaken on June 19 - 21, 2019. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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