

# Bankrate

## More Cardholders Are Carrying Credit Card Debt, and 56 Million Have Been in Debt for at Least a Year

*Less than half of credit card debtors have a plan to pay it off*

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NEW YORK - January 8, 2024 - Nearly half of credit cardholders (49%) carry a balance from month to month, according to a new survey by Bankrate. This is an increase from 39% in 2021. Additionally, over half of those carrying debt (58%) have been in debt for at least a year, up from 50% in 2021. Click here for more information:

<https://www.bankrate.com/finance/credit-cards/credit-card-debt-survey/>

Overall, Gen X (ages 44-59) and millennial cardholders (ages 28-43) are more likely to have credit card debt, at 55% and 51% respectively, compared to Gen Z (48%; ages 18-27) and baby boomer cardholders (44%; ages 60-78).

Of those who have credit card debt, 1 in 10 (10%) don't think they will ever get out of debt. Further, over one quarter of credit card debtors (26%) think they will pay it off at some point, but it will be at least 5 years in the future.

Among cardholders carrying debt, the most common cause is emergency or unexpected expenses (43%), which includes medical bills (11%), car repairs (10%), home repairs (9%), and other unexpected or emergency expenses (14%). The second-most common reason for carrying a balance is day-to-day expenses (26%).

“Over the past two years, Americans’ credit card balances have skyrocketed 40%, according to the New York Fed,” said Bankrate Senior Industry Analyst Ted Rossman. “And most cardholders’ rates have risen five-and-a-quarter percentage points during that span as a result of the Fed’s rate hikes meant to combat inflation. It’s no wonder, then, that we’re seeing more people carrying more debt for longer periods of time. Silver linings are that delinquencies and Americans’ debt-to-income ratio remain relatively low despite challenges such as higher prices and higher interest rates.”

While more cardholders are carrying debt, less than half (47%) say they have a plan to pay it off. About 1 in 5 (22%) of those carrying debt say they feel overwhelmed by their credit card debt, and 1 in 10 (10%) say they don't know how to make significant

progress in paying down debt. Additionally, 16% of those with credit card debt worry that they might not be able to make their minimum credit card payments at some point in the next six months.

“While Americans are managing their credit card debt pretty well, all things considered, we are seeing pockets of trouble at the household level,” added Rossman. “If you have credit card debt, this is probably your highest-cost debt by a wide margin (the average rate is a record-high 20.74%). My top tip is to sign up for a 0% balance transfer card (<https://www.bankrate.com/finance/credit-cards/balance-transfer/>). These allow you to move your existing debt to a new card which won’t charge interest for up to 21 months.”

### **Methodology:**

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,350 U.S. adults, including 1,796 cardholders and 873 who carry a balance on their credit card(s). Fieldwork was undertaken between November 28-30, 2023. 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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