

# Bankrate

## **More Cardholders are Now Carrying Credit Card Debt and More Than 2 in 5 with Debt Don't Know Their Interest Rates**

*43% of Cardholders with Debt are Unaware of Balance Transfer Offers*

New York –January 10, 2023 – As the cost of goods and services rise, more Americans are currently relying on credit. According to a new Bankrate.com report, 35% of U.S. adults carry credit card debt from month to month, up from 29% last year. Additionally, as credit card interest rates have risen at the fastest rate on record, and the average APR has hit a near-record high (19.59%), 43% of credit card debtors don't know the interest rates on all of the cards on which they carry a balance. For the full analysis, click here:

<https://www.bankrate.com/finance/credit-cards/more-americans-carrying-debt-and-many-dont-know-apr/>

When looking at cardholders in particular, 54% report that they pay their credit card bills fully each month in order to avoid paying interest, while the other 46% carry a balance from month to month (up from 39% last year). The survey found that those who earn more money are more likely to pay their bills in full each month. 63% of cardholders who make \$100,000+ annually pay their bills in full every month compared to 60% who make \$80,000-\$99,999, 58% who make \$50,000-\$79,999, and 45% who make less than \$50,000.

Troublingly, many Americans with credit card debt are not informed that there are options such as balance transfer cards that could help relieve it. The report found that 37% of U.S. adults with credit card debt don't know that 0% balance transfer cards exist – an option that could allow consumers to transfer their existing debt to a different card and pay no interest for almost two years.

Additionally, 43% of U.S. adults with credit card debt say they don't know all of the interest rates on their cards that carry balances from month to month. Young adults with credit card debt are the least aware: 50% of Gen Zers with credit card debt don't know all of their rates, compared with 46% of millennials, 43% of Gen Xers and 39% of boomers.

While interest rates are important features of credit cards, especially for the 46% of cardholders who carry debt, findings from the report show that these features aren't a top priority for everyone. Among all cardholders, when asked which credit card feature is the best, cash back rewards was ranked number one (36%) followed by widespread acceptance (16%). Even among

cardholders who carry debt, cash back rewards was said to be the best credit card feature (27%), well ahead of other factors such as widespread acceptance (17%), a low interest rate (14%), low fees (7%) and travel perks (5%).

Bankrate.com Senior Industry Analyst Ted Rossman says, “If you carry credit card debt, forget about rewards for now, because it doesn’t make sense to pay 20% in interest just to earn 1%, 2% or even 5% in cash back or airline miles. Your first step should be to make a good plan. Figure out how much you owe and what your interest rates are. My top tip for paying down credit card debt is to sign up for a 0% balance transfer card. These allow you to pause the interest clock for up to 21 months.”

Annual fees, rates and benefits vary by credit card issuer and change regularly, still, many consumers have been using the same primary credit card for years. More than four in 10 credit cardholders have either never switched their primary credit card (30%), or it has been at least a decade since they have switched (13%). Just 20% of U.S. adults changed their primary card within the past year, split almost evenly between those who do so regularly and those who swapped cards for the first time in a while. Another 16% of respondents reported last switching between one and 3 years ago.

Older adults are the most likely to have stuck with the same card for a long time – 50% of boomers have either never switched their primary card (30%) or haven’t switched in more than a decade (19%). Gen Xers aren’t far behind (32% have never changed their primary card and 14% haven’t done so in at least 10 years). Gen Zers and millennials have shorter credit histories, but still, 38% of Gen Zers and 27% of millennials have never switched their primary credit card.

The 2023 Bankrate Awards are now live to help consumers find the best bank accounts and more. The Bankrate Awards highlight the best of the best in credit cards, banking and more, so that everyone can find winners for their wallet. For the complete list of this year’s winners and our methodology, please visit: [www.bankrate.com/awards](http://www.bankrate.com/awards).

Additionally, Bankrate Visionaries are influencers, communities and nonprofits that deserve recognition for driving change in personal finance. For the complete list of 2023 winners, please visit: [www.bankrate.com/awards/2023/visionaries](http://www.bankrate.com/awards/2023/visionaries).

### **Methodology**

*Bankrate.com commissioned YouGov PLC to conduct the survey. All figures, unless otherwise stated, are from YouGov PLC. Total sample size was 2,458 U.S. adults, including 1,876 credit cardholders and 849 who carry credit card debt from month to month. Fieldwork was undertaken December 7-9, 2022. 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.*

**About Bankrate.com**

Bankrate has guided savers and spenders through the next steps of their financial journeys since 1976. Whether it's rates or information on mortgages, investing, credit cards, personal loans, insurance, taxes or retirement, the company offers various free resources to help consumers reach their goals. From product comparison tools to award-winning editorial content, Bankrate.com provides objective information and actionable next steps. Bankrate.com also aggregates rate information from over 4,800 institutions on more than 300 financial products, with coverage in more than 600 local markets. It's why over 100 million people put their trust in Bankrate.com every year.

**For more information:**

Chloe Helton

Public Relations Specialist

[Chloe.Helton@bankrate.com](mailto:Chloe.Helton@bankrate.com)

704-697-1370