



## 54 Million U.S. Adults Have Been in Credit Card Debt for at Least a Year

*Almost half of credit cardholders carry debt from month to month*

NEW YORK - August 7, 2023 - As Americans continue to battle rising inflation and high interest rates, 60% of those who carry a balance on their credit card or 54 million people, have been in debt for at least a year, according to a new Bankrate report. That figure is unchanged from last year, and up from 50% in 2021. [Click here for more information:](https://www.bankrate.com/finance/credit-cards/credit-card-debt-survey/)

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Overall, almost half (47%) of credit cardholders carry debt from month to month, compared to 46% last year and 39% in 2021.

Looking at income levels, 38% of cardholders with annual household incomes of \$100,000 or more carry credit card debt. That rises to 44% with annual household incomes between \$80,000 and \$99,999, 48% with annual household incomes between \$50,000 and \$79,999 and 53% of cardholders with annual household incomes below \$50,000.

While credit card debt is more common among lower-income households, higher-income households are certainly not immune, and higher-income households with credit card debt are more likely to say they have been carrying credit card debt for at least a year.

Annual Household Income	% of credit card debtors who have had credit card debt for at least a year	% of credit card debtors who have had credit card debt 5 years or more
\$100,000+	72%	27%
\$80,000 - \$99,999	70%	24%
\$50,000 - \$79,999	63%	23%
Under \$50,000	53%	13%

“We’re seeing triple trouble for anyone with credit card debt,” said Ted Rossman, Senior Industry Analyst at Bankrate. “More people are carrying more debt, and interest rates have risen

sharply. 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 avoid interest for up to 21 months. That's a tremendous tailwind that can power your debt payoff journey."

By generation, Gen X (ages 43-58) and Gen Z (ages 18-26) cardholders are more likely (53% and 52% respectively) to carry a balance from month to month, compared to 49% of millennial (ages 27-42) cardholders and 41% of baby boomer (ages 59-77) cardholders.

In terms of how long they have had credit card debt, 68% of millennials, 62% of Gen Xers, 59% of boomers and 39% of Gen Zers with credit card debt have had it for at least a year.

Among those with credit card debt, unexpected/emergency expenses are the most common cause for debt (43%), which includes emergency/unexpected car repairs (10%), medical bills (10%), home repairs (8%), and other emergency/unexpected expenses (14%), followed by day-to-day expenses (25%) such as groceries, child care, or utilities. Other reasons for carrying credit card debt include retail purchases such as clothing or electronics (16%) and vacation and/or entertainment expenses (11%). An additional 5% say some other reason is to blame for carrying a balance month to month.

While emergency expenses are the most common reason for debt across all income brackets, 3 in 10 of those making under \$50,000 blame day-to-day expenses as the cause. On the other hand, nearly one-quarter (22%) of those earning more than \$100,000 point to vacation and/or entertainment expenses.

"Credit card debt is easy to get into and hard to get out of," Rossman says. "Contrary to popular belief, it's usually very practical things that push people into debt. It's so important to make credit card debt payoff a priority. If you only make minimum payments toward the average balance at the average interest rate, you'll be in debt for nearly two decades. Credit card rates are often three, four or even five times higher than other common financial products. Sign up for a 0% balance transfer card, contact a reputable nonprofit credit counseling agency such as Money Management International, take on a side hustle, sell stuff you don't need and cut your expenses. Attack this debt and get credit cards working for you, rather than the other way around."

### **Methodology:**

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,486 U.S. adults. Fieldwork was undertaken on July 6-10, 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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