



Just Under Half of Those Who Lent Cash to Friends and Family Suffered Consequences

45% of Co-Signers Face Negative Results

NEW YORK – September 26, 2019 –46% of U.S. adults who lent money to friends and family reported either losing money (37%) or experiencing a damaged relationship (21%) with the borrower, according to a new Bankrate.com report (there was significant overlap between the categories). Similarly, 37% of those who lent a credit card to a friend or family member had something bad happen (21% lost money, 16% said it harmed their relationship and 12% took a hit to their credit score).

For the full report visit: <https://www.bankrate.com/credit-cards/lending-money-survey-2019/>

1-in-5 U.S. adults have co-signed a financial product for a family member or friend and 45% of them experienced negative consequences of doing so:

- 21% reported having their relationship damaged
- 20% said their credit score was damaged as a direct result
- 18% reported losing money in the process

“I’d avoid lending cash and credit cards and co-signing. All too often, these situations end poorly. It’s okay to say no – perhaps offer to help in a different way,” said Bankrate industry analyst Ted Rossman. “If you really want to do it, only offer as much assistance as you can afford to lose. In your mind, assume it’s a gift and that you won’t get paid back. Let that sink in ahead of time so that a negative experience doesn’t harm your relationship along with your account balance.”

Overall, 60% have lent someone cash, 21% have co-signed for a financial product and 17% have loaned a credit card. Parents of adult children were the most likely to report lending cash (65%), co-signing for loans (29%) and lending their credit card (23%).

Aside from lending their credit card, many cardholders who tried to accrue credit card rewards by paying for a group bill got burned in the process. 18% of rewards cardholders have paid for a group bill in order to collect the credit card rewards, with the expectation of being paid back. Of those, 70% didn’t get paid back at least once (27% said this happened occasionally, 23% frequently, and 20% rarely).

Older millennials (ages 30-38) were the most likely to be stiffed when paying a group bill with 76% reporting this happened at least once, including 36% who said this occurred frequently. They’re also the most likely to try the ‘pay a group bill for rewards’ strategy -- 36% of older millennials with rewards credit cards have done so, compared with just 11% of older adults.

Methodology:

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2490 adults. Fieldwork was undertaken between 28th - 30th August 2019. The survey was carried out online. The figures have been weighted and are representative of all US adults (aged 18+). 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:

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For More Information:

Carrie Wiley

Public Relations Specialist, Bankrate

Office: 631-472-4089

carrie.wiley@bankrate.com

750 3rd Avenue, New York, NY 10017