

# Bankrate

## Half of Credit Cardholders Are Carrying Credit Card Debt, and 61 Million Have Been in Debt for at Least a Year

*Roughly one-third of credit card debtors say that inflation and high interest rates have made their debt burdens worse since the beginning of 2022*

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NEW YORK - August 5, 2024 - Half of credit cardholders carry debt from month to month (50%), according to a new Bankrate survey. This figure is up 6 percentage points from January and is the highest figure since March 2020\*. Additionally, 3 in 5 of those with credit card debt (60%) have been in credit card debt for at least a year, up from 50% in 2021. Click here for more information:

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

Over one-third of credit card debtors (34%) say that inflation has made their credit debt burdens worse since the beginning of 2022, while 32% say high interest rates have made their credit card debt burdens worse during that span.

Just over 2 in 5 credit card debtors say they have a plan to pay off their debt (42%). Additionally, roughly one-fourth of Americans with credit card debt say they feel less confident in their ability to get out of credit card debt now than they did at the beginning of 2022 (24%), while 17% worry they might not be able to make their minimum credit card payments at some point in the next six months.

"Credit card balances fell sharply in 2020 as many Americans spent less during the pandemic and used stimulus funds to pay down debt," said Bankrate Senior Industry Analyst Ted Rossman. "Since the beginning of 2021, however, credit card balances have been off to the races. According to Federal Reserve data, Americans owe 45% more now on their credit cards than they did in early 2021. And the credit card delinquency rate is at its highest point since 2011. High inflation and high interest rates have eroded Americans' savings and more people are carrying more debt for longer periods of time."

Overall, cardholders with lower incomes are more likely to carry credit card debt. For example, 58% of cardholders with annual household incomes under \$50,000 carry balances from month to month compared with just 43% who have annual household

incomes of \$100,000 or more. However, there is little variation across income brackets when comparing credit card debtors' likelihood to have been in debt for at least a year.

With the exception of baby boomers, the prevalence of credit card debt rises with age: 42% of Gen Z cardholders (ages 18-27), 53% of millennials (ages 28-43), 60% of Gen Xers (ages 44-59), and 48% of baby boomers (ages 60-78) carry a balance month to month.

Among those with credit card debt, older generations are more likely to say they have carried it for at least a year (51% of Gen Zers, 58% of millennials, 61% of Gen Xers and 65% of baby boomers).

"Credit card debt won't go away on its own," added Rossman. "If you make minimum payments toward the average balance (\$6,218, according to TransUnion) at the average credit card rate (20.73%), you'll be in debt for 18 years and will owe about \$9,300 in interest. It's important to prioritize credit card debt payoff because this is probably your highest-cost debt by a wide margin. My favorite tip is to move your debt to a new card with a lengthy 0% balance transfer promotion; some of these last as long as 21 months. If you have a lot of debt or a lower credit score, nonprofit credit counseling is probably your best bet."

<https://www.bankrate.com/credit-cards/balance-transfer/best-balance-transfer-cards/>

### **Methodology:**

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,437 U.S. adults, of whom 1,877 are credit card holders and 930 carry a balance on their credit card(s). Fieldwork was undertaken between June 24-26, 2024. 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.

\*This figure references a March 2020 survey conducted via YouGov Plc by Bankrate's sister site CreditCards.com.

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