

creditcards + com

68% of Debtors Don't Know When (Or If) They'll Ever Be Debt-Free

31 million credit card debtors believe they'll die with debt

Austin, Texas – January 11, 2018 – Sixty-eight percent of U.S. adults with debt are not confident they'll ever be able to pay it off, according to a new CreditCards.com report. This includes 30% who say they'll never be debt-free and another 38% who don't know when (or if) they'll achieve the milestone. A more optimistic 32% give an estimated timeframe to get there, indicating an average of roughly nine years. Click here for more information:

<https://www.creditcards.com/credit-card-news/debt-free-living-survey.php>

Generally, the older someone is with debt, the less confident they are about their ability to pay it off. Eighty-three percent of the Silent Generation (72+), 70% of Baby Boomers (53-71), 68% of Gen X (37-52) and 65% of Millennials (18-36) with existing debt either don't know when they'll be able to pay it off or think they never will.

The biggest culprit is credit card debt. A whopping 35% of adults with credit card debt – or over 31 million Americans – think they have dug themselves too deep a hole to ever climb out of. Another 33% with credit card debt don't know when they'll be debt-free. It's no wonder, then, that 59% of U.S. adults view credit card debt as bad debt. Only payday loans are viewed more unfavorably (67%).

“With credit card debt currently at near record levels, it's frightening that so many Americans do not have a plan to get out of the red,” said CreditCards.com senior industry analyst, Matt Schulz. “Credit cards should only be used to pay for things that you can already afford or, at worst, for things that you have a strategy in place to finance.”

The news isn't entirely ominous, however. For starters, 27% of Americans indicate they have no personal debt, whatsoever. When asked to describe their level of debt in a word or two, the most popular response was a positive one: “good,” “very good” or “excellent.”

Overwhelmingly, Americans seem to be better prepared to pay off existing debts in 2018 than they were in 2017. Fifty percent indicate increased comfort from a year ago, while just 8% are less comfortable now. Conversely, only 13% would feel more comfortable taking on more debt now compared to last year, and 45% percent would be less comfortable.

“It's encouraging that Americans seem to be prioritizing paying down debt this year, rather than accumulating it,” added Schulz. “It starts with looking at your budget, identifying where you can cut back spending and then putting a plan in place to attack high-interest loans. A [balance transfer card](#) – many of which offer a 0% intro APR window for 12 months or longer – can be a great asset to help pay down principal rather than accruing interest.”

Not all debt is created equal in the eyes of Americans. Auto loans, home equity loans and mortgages are all viewed more favorably than unfavorably. Notably, student loans are more often viewed as bad debt (35%) rather than good debt (24%).

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1,114 adults. Fieldwork was undertaken between December 21-22, 2017. The survey was carried out online. The figures have been weighted and are representative of all U.S. adults (aged 18+).

About CreditCards.com:

CreditCards.com is the ultimate credit card destination, filled with the largest marketplace of credit card offers you can find online, along with relevant news, advice, features and user-friendly tools. Our mission is to help consumers seize greater opportunity through smarter spending, and we believe that the right credit card, used the right way, can be a life-changer. In 2017, over 42 million unique visitors used CreditCards.com to find the right credit card to suit their needs.

For More Information:

Ryan Feldman
Public Relations Specialist
ryan.feldman@bankrate.com
917-368-8637