

6 Million Parents Have a Child with a Credit Card

More than 1 in 5 parents with a credit card say their child has used it without permission

New York – March 25, 2019 – Eight percent of US parents with kids under 18 say at least one of those children has a credit card, according to a new CreditCards.com report. That equates to 6 million parents. Comparatively, it is more popular for at least one child to have their own cell phone (53%) than credit card. Click here for more information:

<https://www.creditcards.com/credit-card-news/kids-and-credit-cards-poll.php>

Children in higher income households are more likely to have their own credit cards. In fact, kids whose families earn \$50,000 or more per year are more than twice as likely as those who make less than that (12% vs. 5%).

There are regional differences, as well. Thirteen percent of parents in the Northeast report at least one of their children has a credit card, ahead of those in the South and West (both 8%) and the Midwest (5%).

“There are several reasons to give a child a credit card before age 18,” said CreditCards.com industry analyst Ted Rossman. “You can boost a child’s credit if you add him or her to one of your cards as an authorized user. Your positive track record will help your child establish good credit, as long as you pay your bills on time and keep your debts low. You don’t even need to give your child the physical card in order for him or her to reap the credit score benefits.”

Parents looking to establish a credit score for their child(ren) should shop around for credit card issuers (<https://www.creditcards.com/credit-card-news/what-is-the-minimum-age-to-be-an-authorized-user.php>) and pay attention to the minimum ages that some issuers set for authorized users. Among those with a minimum age, the most common is 13, which still gives children five years to build credit before turning 18 and nine years before the typical college graduation age.

Parents should establish strict ground rules, however, since they are the ones ultimately on the hook for any purchases. Rossman adds: “Keep a close eye on your child’s spending and consider limiting purchases to relatively small items (gas, food, movie tickets, etc.) and emergency spending.”

Unfortunately, millions of parents have learned the hard way that children having access to a credit card can often turn out unfavorably. Among parents who have credit cards, more than 1 in 5 (21%) said their kids have used their credit cards without permission. This includes 13% who said it has happened multiple times.

Methodology:

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1,607 adults with children under 18 including 1,074 who also have a credit card. Fieldwork was undertaken on February 26 – March 1, 2019. The survey was carried out online. The figures have been weighted and are representative of all U.S. adults (aged 18+).

About CreditCards.com:

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