

Southern States Struggle the Most with Credit Card Debt

Trump States Have 22 of 25 Highest Burdens

New York – December 4, 2019 – Southern states have the highest credit card debt burdens in the United States, according to a CreditCards.com report that compares credit card debts and household incomes. In fact, southern states comprise all but one of the 10 states with the highest debt burdens, with the one geographical outlier, New Mexico, holding the top spot. The top five states with the highest credit card debt burdens (relative to income) are:

Rank	State	Credit Card Balance	Median Annual Household Income	Months to Pay Off	Total Interest
1	New Mexico	\$8,356	\$47,169	17	\$1,339
2	Louisiana	\$8,364	\$47,905	17	\$1,318
3	West Virginia	\$7,641	\$44,097	17	\$1,194
4	Arkansas	\$7,906	\$47,062	16	\$1,194
5	Mississippi	\$7,639	\$44,717	16	\$1,175

Click here for more information:

<https://www.creditcards.com/balance-transfer/#state-debt-burdens-poll>

The typical New Mexico household carries \$8,356 in credit card debt (23rd highest) and earns a median income of \$47,169 (3rd lowest). By following the recommended strategy of setting aside 15% of earnings to pay off debt, it would take a New Mexico credit cardholder 17 months to absolve their debt, while paying an additional \$1,339 in interest along the way.

Comparatively, the typical American household (earning \$61,937) needs a little over a year (13 months) to pay down the average credit card balance of \$8,407. They would pay \$1,005 in interest.

States with a larger disparity between income and accrued credit card debt require more time to pay down their balances. For instance, it takes the average New Mexico household nearly twice as long to clear their credit card debt as it does households in Massachusetts (the state with the lowest debt burden). The states have similar average credit card debts but very different median incomes.

The typical Massachusetts household earns \$79,835 per year (5th highest) and holds a total credit card balance of \$8,197 (27th highest). With an expert-recommended payment strategy that sets aside 15% of income, cardholders here can get rid of their debt in nine months and \$734 in interest.

“This study illustrates how your income has a huge effect on your ability to pay off your credit card debt,” explains CreditCards.com industry analyst Ted Rossman. “If you’re in debt, regardless of where you live, I recommend [balance transfer cards](#) and seeking opportunities to raise your income and lower your expenses. Taking on a side hustle can dramatically reduce your debt payoff time and total interest expense.”

Other states where credit card holders have an easier time paying off their balances include:

Rank	State	Credit Card Balance	Median Annual Household Income	Months to Pay Off	Total Interest
47	New Hampshire	\$8,364	\$74,991	10	\$815
48	Utah	\$7,896	\$71,414	10	\$763
49	Minnesota	\$7,564	\$70,315	10	\$711
50	Wisconsin	\$6,898	\$60,773	10	\$683
51	Massachusetts	\$8,197	\$79,835	9	\$734

Interestingly, debt burdens also vary by partisan vote. Twenty-two of the 25 highest debt burdens are in states that voted for President Trump in 2016, whereas 17 of the 25 states with the lowest debt burdens (plus D.C.) voted for Hillary Clinton.

Methodology:

CreditCards.com calculated these payoff times and interest charges using the average credit card debt per bank and retail cardholder (according to Experian) and the median household income (courtesy of the U.S. Census) in each state. CreditCards.com assumed that 15% of gross monthly income would go towards credit card debt. For the average credit card interest rate, CreditCards.com used 21.10%, the average midpoint of the APR ranges the site measured on 100 popular cards in early October.

About CreditCards.com:

CreditCards.com is the ultimate credit card destination and 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.

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