

# creditcards + com

## Millennials, Parents, Those with Existing Credit Card Debt Most Accepting of Holiday Budget-Busting

*Amid economic uncertainty, one-third plan to spend less this holiday season, up from last year*

NEW YORK – November 11, 2020 – Millennials (ages 24-39, 46%), parents with children under age 18 (46%), and those with existing credit card debt (48%) are most likely to believe the holidays are an acceptable excuse to accrue credit card debt, according to a new CreditCards.com report. Further, these groups are more willing to go into debt (or deeper into debt) for the holidays. Additionally, when it comes to 2020 overall holiday spending, one-third of U.S. adults (33%) plan to spend less this year than in 2019, while just 9% plan to spend more this year. Click here for more information:

<https://www.creditcards.com/credit-card-news/holiday-debt-poll/>

- **Younger vs. older cohorts:** When looking at credit cardholders in particular, 53% of millennials would be willing to go into debt for the holidays, compared to 43% of Gen X cardholders (ages 40-55) and 33% of baby boomer cardholders (ages 56-74). Millennials are also more tolerant of holiday debt (46%), compared to 34% of Gen Xers and 29% of baby boomers.
- **Parents vs. non-parents:** Cardholders with children under the age of 18 are nearly twice as likely as non-parent cardholders (61% vs. 34%) to be willing to go into debt for the holidays. Nearly half of cardholders (46%) with children under the age of 18 agree that holiday spending justifies going into debt compared to 32% of non-parent cardholders.
- **Those with existing credit card debt:** More than half of cardholders with debt (57%) would be willing to add to their existing tally this holiday season, compared to 29% who don't have credit card debt. 48% of those already in the red go further by indicating they think the holidays are an acceptable excuse to accrue more debt, while just 26% of cardholders who do not currently have credit card debt agree that the holidays are an acceptable excuse to do so.

“Taking on holiday-related credit card debt in 2020 feels like adding insult to injury,” said Ted Rossman, Industry Analyst at CreditCards.com. “While overall spending seems like it will be down, a considerable number of people still appear willing to finance these purchases. That comes with a hefty price – an average interest rate of 16%. You need to resist that temptation. It has been a tough year for so many; don't close it by digging a deeper financial hole.”

Especially for those who already have credit card debt, willingness to take on more debt this holiday season is surprising, given that a [CreditCards.com study](#) from August 2020 revealed 25% of credit card debtors had already added to their credit card debt as a direct result of the

COVID-19 pandemic. Additionally, millennial credit cardholders had been hit the hardest, with 39% with debt going further into the red.

“A lot of the normal credit card debt reduction tactics are harder to execute right now,” Rossman added. “Many households don't have much extra money to put towards their debt these days, and it has become much harder to qualify for 0% balance transfer credit cards and low-rate personal loans.

“I think nonprofit credit counseling is a good, actionable place to start. Reputable organizations, such as those accredited by the NFCC, can help you consolidate debts, pay lower interest rates and come up with a customized payoff plan. You can also try some of this yourself, like asking your card issuers for lower interest rates, taking on a side hustle and/or finding ways to reduce your expenses and dedicate more money to paying down credit card debt.”

As to what reasons may influence someone to be willing to go into debt or add to current debt this holiday season, cardholders were somewhat evenly split amongst to make my child(ren) happy (17%), to make my spouse/partner happy (17%), to make another friend or family member happy (19%), and to make myself happy (16%), while just 2% cited other reasons. All told, 42% said it's okay to take on holiday debt due to at least one of those factors.

In a year of continued economic uncertainty, planned holiday spending also appears to be down. One-third (33%) of U.S. adults plan to spend less on the holidays than last year, up from last year when 22% planned to spend less than they did in 2018, per a [study](#) conducted by Bankrate.com. This year, nearly half (48%) plan to spend about the same as last year, while just 9% plan to spend more (26% said they planned to spend more in 2019 than 2018). An additional 10% didn't spend on the holidays last year and don't plan to spend this year.

Anticipated holiday spending overall is also down across cohorts, as well as categories including entertaining, travel, decorations, and gifts, with only a fraction planning to spend more. Notably, millennials are nearly three times as likely to plan to spend more in totality this holiday season, compared to Gen Xers and baby boomers.

<b>Spending Category</b>	<b>Plan to spend more this holiday season</b>	<b>Plan to spend less this holiday season</b>
Entertaining	6%	34%
Travel	6%	33%
Decorations	8%	29%
Gifts	11%	24%
<b>Cohort</b>	<b>Plan to spend more this holiday season overall</b>	<b>Plan to spend less this holiday season overall</b>
Millennials	15%	28%
Gen Xers	5%	39%
Baby boomers	4%	36%

**Methodology:**

CreditCards.com commissioned [YouGov Plc](#) to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,369 adults, of which 2,010 were credit cardholders. Fieldwork was undertaken October 7-9, 2020. 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.

**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.

**For More Information:**

Julie Guacci  
Publicist  
[julie.guacci@bankrate.com](mailto:julie.guacci@bankrate.com)  
973-525-3026